In the name of Allah
the most
Compassionate and Merciful

In the name of Allah the most Compassionate,

the most Merciful.

"I have warned all,of the danger posed by the usurper Israel for fifteen years, and have repeatedly reminded Arab governments and nations of this unquestionable fact. The colonial peace-plot between Egypt and Israel has made this threat more eminent now. By signing the treaty,Sadat has publicly declared his association with the colonialist U.S. administration. This is not an unexpected measure emanating from the close affi-liate of the ex-shah of Iran.

Iran supports all her muslim brethren in Arab countries and recognizes herself a participant in their decision-making process. Iran considers Sadat's peace with Israel a treason committed against Islam,Muslims and all Arabs;and supports the political position of the opponents of this treaty."

Imam Khomeini

25/3/1979

A HISTORY OF EGYPT IN SHORT:

The 6 thousand year old history of Egypt began with the domination of pharaohs and continues with the rule of the present day pharaohs such as Sadat and Mubarak despite the will of the oppressed Egyptian nation. The Egyptian history of struggles, failures, and wars reflects the rules of pharaohs, Irano-Egyptian conflicts, their wars with ancient Rome,the Ottoman domination and the aggression by Napeleon,etc.

Egypt's foreign debts, and her civil wars resulted in the domination of britain over this arab nation in 1802. England engaged herself in plundering Egypt until 1922, and then although it apparently recognized an independent Egypt, yet in reality it imposed puppet kings on the Egyptian nation.

The year 1953 was the beginning of a new era in the Egyptian history, it marked and end to monarchical rule,and a birth to the Republic of Egypt. The young officers of the Egyptian army elected General Nadjeeb as president, Prime Minister and Head of the Revolution's command Council;Djamal Abdol Nasser was also appointed as Deputy Prime Minister and the Minister of state.

In 1954, General Nadjeeb was ousted on charges of his co-operation with Ikhwan-ol-Muslemin (the muslim brotherhood) in an assassination attempt against Nasser.Nasser's presidency, based on Arab nationalism and socialism, began with a disasso-ciation from the west but a dependence on Russia and the Eastern block countries. Bilateral visits of the Egyptian and Russian leaders and the signing of military and economic agreements established strong ties between the two countries.

Sadat and Egypt:

The Israeli-Egyptian war in 1967 and the ensuing defeat of Egypt imposed a drak period over that country and the rest of the Arab world. Later in 1970,the Arab world suffered a bitter blow as the result of Nasser's death and coming to power of Sadat.

As the vice-president and close associate of Nasser, Sadat walked into the scene to maintain the internal and foreign policies of the former in expanding relations with Sudan, Lybia, and Syria, and the Soviet Union. But Nasser's death was a prelude to the disruption of these policies. By purging the Egyptian government, of pro-Moscow elements, and by inclining towards Europe and America, Sadat launched his de-Nasserism campaign. Changing the Constitution of Egypt, granting freedoms prevalent in capitalist states were yet other steps taken by Sadat in his de-Nasserist moves in Egypt. The military and economic dependence of Egypt on Russia continued, but Egyptian officials' dissatisfaction with Russian arms and their incapability in solving the Arab-Israeli coflict, were the major motives of Egypt in establishing ties with Europe and the U.S.

In November 1973, Egypt and U.S.A. reached an agreement on the "principles" of resuming diplomatic ties, and the ambassador of Egypt headed for America at this time. These policies were pursued until the full disruptin of ties with Russia and the complete domination of the western imperialism over Egypt.

Although Sadat was preparing the grounds for a serious war with Israel during the first years of his rule, he placed more emphasis on establishing diplomatic ties with the occupiers of Palestine, in search of a political solution to the conflict between Egypt and Israel. This policy ultimately culminated in the signing of the Camp-David peace treaty, and the establishment of embassy-level ties between Egypt and Israel after the 1973 war.

Egypt and Sadat's Policies:

The consequences of Sadat's policies can be summarised as the following:

1. Class conflicts increased, free enterprise grew, and poverty expanded in Egypt, all as a result of the open-door policies.

2. A major portion of the country's budget was spent for the purchase of Eruopean and American arms and equipment; food imports increased, whereas Egypt exported some food products before Sadat; in-flation grew unprecedentedly; a culture of carefreeness prevailed and engaged people with trivial matters.

3. Peace treaty and its outcome:

It mobilized intellectuals and the people against Sadat,and all religious and non-religious groups revolted against the ruling hierarchy. The treaty, also, left a divisive effect on the Arab front; thereby, compelling each and every Arab state to declare its position with regards to Israel.

Camp david Accords and Arab States:

Egypt's pursuit of the Camp David accords urged Arab states in the Baghdad Conference to boycott that country, despite their own political positions and inclinations towards Israel and America. The boycott issue frightened the U.S. and her Euroupean allies more than Egypt herself, because they could lose their sources of income: the sales of arms and equipments to Egypt.

Following the boycott, Egypt lost all economic assistance obtained from Arab states, Gulf Industrial Development Organization and Saudi-Arabia. According to document numbered 21:

"Through the use of Arab funds, Egypt purchased more than $ 5.3 billion worth of goods from western Europe and the United States in the period 1976-1979."

The disruption of these aids dealt a heavy economic and military blow on Egypt, America and western Europe, especially France and Britain. On the other hand, the boycott paralyzed Sadat's efforts in solving the internal problems of Egypt and could finally lead to the overthrow of loyal Sadat,which would be a crushing blow against the regional interests of the United States.

Arab states' efforts in expelling Egypt from the Islamic Conference, Non-aligned Movement, OPEC, and the Union of African Countries brought about the repulsive or attractive attitudes of Sadat with regards to them Thus, Sadat urged some non-Arab but muslim states for moderation and the adoption of a positive or null position with respect to the Camp David accords. America was a partner of Egypt in these efforts. Saudis, too, temporarily adopted moderate tactics to force radical Arab into moderation, and although they never wanted to bring heavy losses on Egypt, they decided to oppose Israel in order to save a reputation for themselves.

Many of the documents contained here, are related to the positions taken by arab, islamic, and African states vis-a-vis the Egypt and Israel peace treaty.

Iran and the Islamic Revolution; Egypt and the Camp David Accords:

The relationship between Iranian kings and Egyptian pharaohs goes back to the time of Cyrus and Ameris, in economic and military forms. In 1960 when diplomatic ties were established between Iran and Israel, Egypt cut relations with Iran. When Sadat came to power, both countries made moves to re-establish diplomatic ties. The ex-shah's trip to Egypt and Sadat's visits to Tehran in 1974 and 1976 intensified these moves.

Shah and Sadat, two mercenaries hired by one master,adopted a common position with regards to helping Israel and fighting the deprived Palestinian nation.

The Islamic Revolution ruined the palaces of Iranian and Egyptian pharaohs. History was repeating itself when the ex-shah escaped Iran and sought refuge in Egypt at the invitiation of Sadat. The similarity of the ex-shah's fate and that of his father in running away to Egypt during the final days of their life was unquestionable.

During and after the Revolution, in meetings with American political figures Sadat had repeatedly called for their strong support of the shah.

At any rate, the so-called royal family took refuges in Egypt and by arranging a marriage with Sadat's daughter, they strengthened their historic relation with pharaohs.

The increasing appeal of the Islamic Revolution amongst the Muslims of the world had alarmed imperialism and its puppets. Islam which has always been a serious threat to tyrants and colonialists, turned into the dynamic ideology of the revolution in Iran, urging all nations to rid themselves of the colonialist clutches. Plunderers, especially America, disliked the idea, and therefore, mobilized the C.I.A to penetrate into the Islamic and anti-Sadat movements.

Identification of the U.S.A. as the most one responsible for the misfortunes of Muslims and the oppressed was the most brilliant deed of the muslim nation of Iran. Muslims became so disgusted with imperialism that " Down with America " became the ending slogan of their prayers. In document numbered 6 Americans admit this fact in the following words "The worsening of the Iranian situation in recent weeks has been coupled with an increase in the fanatic muslims' opposition againsts U.S.A.. They think America is the enemy of Islam....Many Egyptian fanatic muslims also consider the United States as the enemy of Islam... We must necesserily launch a series of positive actions in order to increase their confidence in ourselves. "

Simultaneous with America's attempts in setting points of contact with Egyptian muslim leaders, Sadat launched his anti-Islamic campaign, and according to an opponent of Sadat,"Sadat will eventually have to confront the rightist Religionists, which is not essential at this time."

Finally Sadat was assassinated by the best sons of the Islamic nation.

Talk of the Camp David treaty and later the signing of it by sadat without any attention to the rights of the Palestinian nation was in fact a confirmation of all zionist crimes in Palestine. This treaty placed Sadat under threat from many directions:

1) The expansion of opposition among the people, Army and the committed Egyptian intellectuals;

2) Arab boycotts and the resulting economic problems;

3) Fear of the Camp David treaty's failure, which would bring nothing but disgrace for Sadat;

4) Failure of the Egyptian domestic economic policies;

Followingly, Americans dispatched their own Senarios to Sadat, and the U.S. state department, in order to save prestige for Sadat, prevented the failure of Camp David accords and neutralized the Arabian boycott of Egypt. Documents 21 and 22 are reminiscent of their attempts in this regard.

For example, at the end of Document 22, Americans assert the following: " During the negotiations Sadat must have the full support of America and Egypt."

And since they considered Sadat as being constantly under threat, they urged him to choose Hosni Mubarak as his successer, because they believe that Hosni Mubarak's foreign policy is very much similar to that of Sadat.

Once this American treaty was signed, Imam Khomeini's message marked the disruption of political relations of the Islamic Iran and the Israeli Egypt. The Imam's guidline will also end this introduction; " Muslims' problems are their governments. These governments have brought much disgrace on muslims.Muslim nations are not the cause of these problems, because they can naturally solve problems. These governments, because of their association with superpowers, have inflicted us and all muslims with so many difficulties. If these obstacles are removed , muslim nations will find a solution to all problems.

When the flag of "NASRO-MIN-ALLAH" (help is that of Allah) is hoisted all over the territories of the oppressed, the ultimate victory is materialized; and that is when all Muslims throw the oppressors and plunderers out of their countries and rule under the banner of Islam.

That is realized when all Muslims treat Sadat and the likes of the ex-shah,in the same manner that the Iranian nation treated Mohammad Reza Pahlavi".

Muslim Students Following the line of the Imam.

EGYPT

(See reference map V)

LAND

1,000,258 km² (including 48,931 km² occupied by Israel as of 26 June 1979); 2.8% cultivated (of which about 70% multiple cropped); 96.5% desert, waste, or urban; 0.7% inland water

Land boundaries: 2,527 km (1967); approximately 2,580 km including border of occupied Sinai area (since September 1975)

WATER

Limits of territorial waters (claimed): 12 nm (plus 6 n. "necessary supervision zone")

Coastline: 2,450 km (1967); includes approximately 500 km within occupied Sinai area (since September 1975)

PEOPLE

Population: 40,958,000 (July 1979), average annual growth rate 2.7% (current)

Nationality: noun—Egyptian(s); adjective—Egyptian or Arab Republic of Egypt

Ethnic divisions: 90% Eastern Hamitic stock; 10% Greek, Italian, Syro-Lebanese

Religion: (official estimate) 94% Muslim, 6% Copt and other

Language: Arabic official, English and French widely understood by educated classes

Literacy: around 40%

Labor force: 13 million; 45 to 50% agriculture, 10% industry, 10% trade and finance, 30% services and other; shortage of skilled labor

Organized labor: 1 to 3 million

GOVERNMENT

Legal name: Arab Republic of Egypt

Type: republic; under presidential rule since June 1956

Capital: Cairo

Political subdivisions: 26 governorates

Legal system: based on English common law, Islamic law, and Napoleonic codes; permanent constitution written in 1971; judicial review of limited nature in Supreme Court, also in Council of State which oversees validity of administrative decisions; legal education at Cairo University; accepts compulsory ICJ jurisdiction, with reservations

National holiday: National Day, 23 July

Branches: executive power vested in President, who appoints cabinet; People's Assembly gradually gaining power as political liberalization program is implemented; independent judiciary administered by Minister of Justice

Government leader: President Anwar al-Sadat

Suffrage: universal over age 18

Elections: regular elections to People's Assembly every 5 years (most recent June 1979); presidential elections every 6 years (most recent September 1976)

Political parties and leaders: formation of political parties must be approved by government; National Democratic Party, formed in mid-1978 by President Sadat, is the major party; various small opposition parties

Communists: approximately 500, party members

Member of: AAPSO, AFDB, FAO, G-77, GATT, IAEA, IBRD, ICAC, ICAO, IDA, IFC, IHO, ILO, IMCO, IMF, IOOC, IPU, ITU, IWC—International Wheat Council, NAM, OAU, U.N., UNESCO, UPU, WHO, WIPO, WMO, WPC, WSG, WTO; Egypt suspended from Arab League and OAPEC in April 1979

ECONOMY

GNP: $11.7 billion (1978), $290 per capita; average annual growth rate of 9% in 1978

Agriculture: main cash crop—cotton; other crops—rice, onions, beans, citrus fruit, wheat, corn, barley; not self-sufficient in food, but agriculture a net earner of foreign exchange

Major industries: textiles, food processing, chemicals, petroleum, construction, cement

Electric power: 5,000,000 kW capacity (1978); 14 billion kWh produced (1978), 350 kWh per capita

Exports: $2,725 million (f.o.b., 1978 est.); raw cotton, cotton yarn and fabric, crude petroleum, rice, onions, potatoes, chemicals, cement (C)

Imports: $4,900 million (c.i.f., 1978 est.); foodstuffs, machinery and equipment, fertilizers, woods (C)

Major trade partners: EC countries, U.S. (C)

Aid: OPEC (ODA) (1973-77), $7,713.5 million; U.S. (1970-77), $2,318.2 million; Western countries (1970-77), $2,185.6 million; Communist countries (1970-77), $821.5 million; military—Communist countries (1970-77), $2,732.0 million (S)

Monetary conversion rate: official rate—1 Egyptian pound = US$2.54 (selling rate); 0.394 Egyptian pound = US$1 (selling rate); parallel market rate—1 Egyptian pound = US$1.43, 0.699 Egyptian pound = US$1

Fiscal year: calendar year, beginning in 1973

COMMUNICATIONS

Railroads: 4,857 km total; 951 km double track; 25 km electrified; 4,510 km standard gage (1.435 m), 347 km 0.750-meter gage

Highways: 47,025 km total; 12,300 km paved, 2,500 km gravel and crushed stone, 14,200 km improved earth, 18,025 km unimproved earth

Inland waterways: 3,360 km; Suez Canal, 160 km long, used by ocean-going vessels drawing up to 11.5 meters of water; Alexandria-Cairo waterway navigable by barges of metric ton capacity; Nile and large canals by barges of 420-metric ton capacity; Ismailia Canal by barges of 200- to 300-metric ton capacity; secondary canals by sailing craft of 10- to 70-metric ton capacity

Freight carried: Suez Canal (1966)—242 million metric tons of which 175.6 million metric tons were POL

Pipelines: crude oil, 675 km; refined products, 240 km; natural gas, 365 km^3

Ports: 3 major (Alexandria, Port Said, Suez), 8 minor

Merchant marine: 85 ships (1,000 GRT or over) totaling 425,586 GRT, 572,426 DWT; includes 8 passenger, 62 cargo, 14 tanker, 1 bulk (C)

Civil air: 28 major transport aircraft, including 3 leased in

Airfields: 105 total, 75 usable; 67 with permanent-surface runways; 47 with runways 2,440-3,659 m, 1 with runway over 3,660 m, 19 with runways 1,220-2,439 m

Telecommunications: system is large but inadequate for needs and poorly maintained; principal centers Alexandria and Cairo, secondary centers Al Mansurah, Ismailia, and Tanta; intercity connections by coaxial cable and microwave; extensive upgrading in progress; 500,000 telephones (1.3 per 100 popl.); 22 AM, no FM, and 29 TV stations; 1 Atlantic Ocean satellite station; Symphonie satellite station; 2 submarine coaxial cables

DEFENSE FORCES

Military manpower: males 15-49, 10,027,000; 6,517,000 fit for military service; about 423,000 reach military age (20) annually

Personnel: army 320,000, navy 20,000, air force 27,000 (1,000 pilots), air defense 80,000, frontier corps 10,000, security and guard forces 44,500, national guard 3,000, coast guard 7,300 (S)

Major ground units: 2 separate armies and a total force of 10 divisions (5 infantry, 2 mechanized infantry, 3 armored); 31 separate brigades (10 infantry, 2 presidential guard, 1 reconnaissance, 3 armored, 11 field artillery, 2 mortar, 2 surface-to-surface missile); a special forces headquarters with 1 parachute brigade, 2 air assault brigades, and 5 commando groups (brigade); 26 air defense SAM brigades (S)

Ships: 5 destroyers, 12 submarines, 3 patrol frigates, 12 small submarine chasers, 12 missile attack boats (an additional 6 new units are not yet operational as missile attack boats), 2 fast patrol boats, 11 motor torpedo boats, 17 fast fire support boats, 5 patrol boats, 3 patrol air cushion vehicles, 12 minesweepers, 17 amphibious, 17 auxiliary and service, and numerous small craft (S)

Aircraft: 914 (594 jet, 25 turboprop, 130 prop, 165 helicopters) (S)

Missiles: 65 SA-2 battalions, 55 SA-3 battalions, 15 SA-6 battalions, 167 SA-7 platoons (S)

Supply: produces infantry weapons, ammunition, small naval oilers, patrol boats; is dependent on foreign sources for other equipment (C)

Military budget: for fiscal year ending 31 December 1979, $1.5 billion; 19% of central government budget (C)

INTELLIGENCE AND SECURITY

General Intelligence (GI), foreign/domestic; General Department for State Security Investigations (GDSSI), domestic; Military Intelligence Directorate (MID), domestic/foreign; Presidential Intelligence (PI), domestic/foreign (S/NF)

INR-5

AIRGRAM

POL 15-1 UAR

Original to be Filed in _____ Decentralized Files.

FILE DESIGNATION UAR

CA-6907, SECRET NO FOREIGN DISSEM

NO.

HANDLING INDICATOR

TO : ADDIS ABABA, ALGIERS, AMMAN, ANKARA, BAGHDAD, BEIRUT, CAIRO, DAMASCUS, JERUSALEM, JIDDA, KHARTOUM, KUWAIT, LONDON, PARIS, RABAT, TAIZ, TEHRAN, TEL AVIV, TRIPOLI, TUNIS

Copy 71 Series B

FROM : DEPARTMENT OF STATE

DATE: JAN 8 12 45 PM '65

SUBJECT: Relationships Among and Tendencies of Key UAR Personalities

REF

In the wake of accumulating difficulties in the UAR, there have been reports of a possible reshuffling of personnel in high offices and of a possible struggle for power. The Department believes that the key personalities in any such maneuvering would be the following:

1. Eastward-leaning:

a. 'Ali Sabri. For some years he has been Nasser's righthand man and chief advisor on foreign and internal matters. As such, he probably has more influence on policy-making than anyone apart from Nasser himself. He has been a strong promoter of Arab unity under UAR leadership and an advocate of furthering unity by exploiting the anti-Western and anti-Israel feelings of Arab nationalists. He appears also to be a strong advocate of the policy of cultivating the Soviets while fighting local communists. It was he who early discerned the advantages to the UAR of exploiting the Sino-Soviet rivalry. In internal affairs, Sabri has been a strong supporter of state socialism, and he and Hatim were reported to have been responsible for engineering the nationalization of the press in May 1960.

Sabri, however, is not a popular figure. He has the reputation of being an intriguer, unscrupulous, hungry for power, and extremely secretive, but also of being intelligent and very clever and adroit. He is reported to have his own apparatus of followers within the government to protect his own position and counter the activities of his rivals. His chief enemies are Baghdadi and Zakariya Muhi al-Din, but 'Abd al-Hakim 'Amir is no friend of his, either.

b. 'Abd al-Hakim 'Amir. 'Amir does not have the reputation of being as intelligent, ambitious, and skillful as Sabri; he is widely held

GROUP 1 - Excluded from automatic downgrading and declassification

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FORM DS-323 4-65

Drafted by: INR:RNA:HWGlidden/RCWysong:bt - 1/7/65

Contents and Classification Approved by: Office of Intelligence Research: HJLiebesny

Clearances: NEA/NE - Mr. Jones (in draft)

14 JAN 1965

to be a hashish addict, although the truth of this is not certain. He has shown himself to be very dogged, however, in defending himself from attempts by others to encroach on his private preserve -- the armed forces. He is said to be a devout Muslim, possibly influenced by the Ikhwan, and he seems to be primarily a soldier rather than a politician. It is noteworthy that his name has not been mentioned among those involved in the current maneuvering for position. Over 'Amir hangs the shadow of the Syrian debacle of 1961, the responsibility for which Nasser initially tried to pin on him. 'Amir is reported to have accused Sabri and Haykal of having encouraged Nasser in this. There is little love lost between 'Amir and Sabri.

'Amir is believed to be popular in the army, a popularity that no doubt stems in large measure from the fact that he is responsible for distributing prerogatives and jobs to officers. He is said to be courted by officers seeking promotion and sinecures in nationalized industries. Whether the Yemen campaign has affected these attitudes toward him is not clear. It is reported however, that the troubles experienced by the UAR forces in the Yemen have caused 'Amir to question the wisdom of military adventures of this type.

2. Moderates:

a. 'Abd al-Latif al-Baghdadi. Baghdadi has been described as devoted to the ideals of the UAR revolution, but he is not primarily a politician or an ideologist and he has a strong pragmatic bent. He advocates an "Egypt first" policy and is opposed to external adventurism; he was against the Syro-Egyptian union and feels that the UAR should pull its troops out of the Yemen. He feels also that the UAR has leaned too far to the East. When the nationalization and socialization decrees were instituted in 1961 he disagreed strongly with them, whereas Sabri was their most ardent supporter. As a result of this and other frictions with Nasser, Baghdadi's star has waned in recent years and he has been excluded from the inner circle since March 1964, but since September 1964 Nasser is reported to have turned to him for help in countering growing economic difficulties. Although rumor named Baghdadi among those involved in plotting against Nasser in the summer of 1964, we have seen nothing that would confirm this.

Baghdadi is reputed to be popular with the UAR public as "a man who gets things done." In the armed forces, his center of popularity seems to be in the air force. He has a strong dislike for 'Amir and Sabri. The member of the inner circle with whom he is on the best terms is Zakariya Muhi al-Din.

b. Zakariya Muhi al-Din. He does not have a reputation for being ambitious for power. In outlook he approaches Baghdadi--he does not place great stress on Arab unity, and he and Baghdadi in October 1961 criticized Nasser's "blind following of Yugoslav-type socialism." Zakariya Muhi al-Din may be more of an opportunist than Baghdadi, however. He also appears inclined toward compromise--he and 'Amir urged conciliation with the breakaway Syrian regime in October 1961.

Muhi al-Din's influence has declined from the high point it reached prior to the Israeli invasion of Sinai in 1956. In July 1957 he was replaced by 'Ali Sabri as director of the GID, and he has hated Sabri and his proteges ever since. In 1961 he was reported to be very popular among the police officer corps, and he may still have a strong following there.

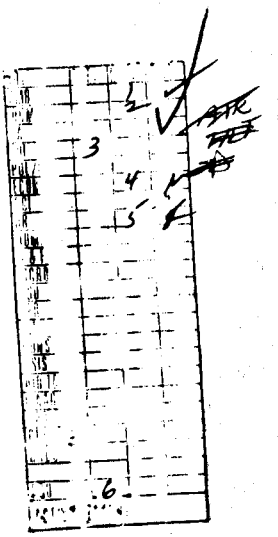
The above information is provided for background use. Utmost discretion should be used in discussing the subject with local officials. Any implication that the USG is interested in seeing a change in the UAR power structure or that it favors a particular person or group in a struggle for power in the UAR should be avoided. Any supplementary information developed concerning the subject would be appreciated.

[redacted]

AMERICAN EMBASSY

1973 DEC 13 10 23

TEHRAN, IRAN



Biographic Report

Ashraf 'Abd al-Latif GHURBAL
Egyptian Ambassador-Designate to the United States

Secret
BR 73-30
November 1973

WARNING

This document contains information affecting the national defense of the United States, within the meaning of Title 18, sections 793 and 794, of the US Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

Classified by 004050
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exemption category 5B(1),(2),(3)
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PREFACE

The United States and Egypt severed diplomatic ations following the outbreak of the 1967 Arab-aeli War. Charging that US planes had strafed ptian targets in support of Israeli forces, then sident Jamal 'Abd al-Nasir broke Egypt's diplo-ic ties with this country. The United States sed its Embassy in Cairo, leaving only a small f to man a US Interests Section in the Spanish assy. The Egyptian Embassy in Washington was sed and an Egyptian Interests Section opened in Indian Embassy.

'Abd al-Nasir subsequently admitted that he erred in his charges concerning the American nes, but he stopped short of apologizing to the Government and refused to initiate the call for resumption of relations--two steps that Presnt Lyndon B. Johnson insisted on. Despite the ence of formal relations, the United States has extensive high-level contacts with the Egyptian ernment in the intervening years in conjunction h attempts to arrive at a Middle East peace tlement.

On 7 November 1973 Egypt and the United States eed "in principle" to resume full diplomatic ations. At that time the Egyptian Government ed Ashraf Ghurbal Ambassador to this country.

report was prepared by the Central Reference ice and was coordinated within CIA as appro-te and with the Department of State. Comments questions may be directed to Glen Hosack, Code ext. 4172.

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EGYPT — Ashraf 'Abd al-Latif GHURBAL

Ambassador-Designate
to the United States

On 7 November 1973, upon the resumption of diplomatic relations between Egypt and this country, the Egyptian Government named Ashraf 'Abd al-Latif Ghurbal (pronounced goorBAHL) Ambassador to the United States. Previous to this appointment, Ghurbal had been serving since January as press adviser to President Anwar al-Sadat. A career Foreign Service officer, Ghurbal is no stranger to this country: He received his graduate education at Harvard; early in his career, he served at his country's Permanent Mission to the United Nations; and as Minister of the Egyptian Interests Section in the Indian Embassy in Washington, he was Egypt's senior diplomat in the United States from 1968 to 1972.

Views on US Middle East Policy

Ghurbal believes that in recent years the United States has lost many diplomatic opportunities in the Middle East, but he now looks forward to better relations between Egypt and the United States. After the 1967 Arab-Israeli War, Ghurbal stated that in his opinion the United States would not change its policy toward the Middle East until Washington felt that American oil interests faced a genuine threat. He has recently stated that the latest Arab-Israeli War and resultant oil boycott provided a well-needed shock to the United States.

Ghurbal has no illusions about the problems that Egypt will face in dealing with the United States in regard to the Middle East. What optimism he does have stems from his good impression of Secretary of State Henry Kissinger. He has said of Dr. Kissinger: "In my mind, he's a friend. Sometimes in the past I heard from him more reasonable

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views about the Middle East than I got from many people in the State Department."

In a recent interview Ghurbal was asked what his main task would be as Ambassador to the United States. He replied, "I will spare no effort to utilize the new climate to persuade the Congress, the press and the financiers to double the effort to reach a just peace in the area."

Previous Washington Assignment

In a private conversation in 1969 Ghurbal stated that he had been chosen to be the senior Egyptian diplomatic official in the United States during the difficult period following the severance of diplomatic relations because of his knowledge of the United States and his personal background. At the time of the break in relations Ghurbal was probably being groomed for the post of Minister at the Embassy in Washington, and he was scheduled to accompany then Vice President Zakaria Muhi al-Din to Washington for talks just one day before the outbreak of the June 1967 Arab-Israeli War. Following the diplomatic break the US Government agreed to accept an Egyptian diplomat of ministerial rank as head of the Interests Section and granted *agrément* for Ghurbal to occupy that post.

An American who knew him at that time described Ghurbal as the type of diplomat who was careful to voice personal opinions that precisely fitted the mold of official Egyptian policy. As Minister, Ghurbal was rebuffed in his plans to gain access to high-level State Department and White House officials, including the President. (Relations between the United States and Cairo were largely handled through the US Interests Section in Cairo rather than the Egyptian Interests Section in Washington.)

Sensing that he was being somewhat isolated even by his own government from the sensitive negotiations surrounding the Middle East crisis, Ghurbal sought to counter that situation by gaining access to and earning the confidence of individuals at

other levels of influence in Washington. He energetically sought out people he felt would be receptive to him, hoping thus to gain sufficient influence to impress Cairo. He contacted middle-level State Department officials, members of Congress and Congressional staff members, as well as seeking out American oil company executives, whom he considered to be very influential in the government. He also was active on the lecture circuit and became one of the more socially active Arab diplomats in Washington.

Ghurbal was especially assiduous in noting who was traveling to Egypt. Congressmen or business executives whom he considered influential were very often pleased at the appointments and briefings he was able to schedule for them in Cairo. He was particularly careful to note the schedules of high-level visitors to Egypt, arranging to be in Cairo at the same time and attend functions given for them.

While in Washington, Ghurbal was a frequent visitor to the Soviet Embassy, apparently cultivating contacts among the Soviets and using them as sources of diplomatic information.

Recall to Cairo

During his assignment at the Egyptian Interests Section, Ghurbal seemed to enjoy the confidence of then Foreign Minister Mahmud Riyad. Riyad fell out of favor with President Sadat, however, because of his resistance to the Egyptian plan for an interim agreement that would have resulted in the opening of the Suez Canal. Riyad was removed as Foreign Minister in January 1972, and as one of his supporters, Ghurbal was recalled from Washington in the spring of 1972.

Ghurbal did not return to Cairo in disgrace, however. Before leaving Washington he was promoted to the rank of Ambassador. He was quickly appointed assistant to Hafiz Isma'il, Presidential Adviser for National Security. This appointment, like his initial assignment to the United States, was due in large part to his knowledge of this country.

Presidential Adviser

Ghurbal apparently performed well as Isma'il's assistant, for he was elevated to the post of presidential press adviser on 17 February 1973. It appears that Sadat created the position expressly to bring Ghurbal into the Office of the President as a foreign policy adviser on matters dealing with the United States. In that capacity, Ghurbal accompanied Sadat to the Conference of Nonaligned Nations held in Algeria in September 1973. He was named to the Higher Committee for the Battle, formed by Sadat prior to the 1973 Arab-Israeli War.

Most foreign journalists, especially those from non-Arab countries, have praised Ghurbal's performance as presidential press adviser during this time of renewed conflict with Israel. The news reporting has been restrained in tone and generally factual, and statements on the war have been limited to enunciations of Eygptian war aims. The journalists credit Ghurbal with this improved image of the media.

Early Life and Career

Ashraf 'Abd al-Latif Ghurbal was born on 22 May 1925 in Alexandria, Egypt, to an upper class family of moderate means. He is the son of former Ministry of Justice Under Secretary 'Abd al-Latif Ghurbal. The best known member of the family was his cousin, the historian Shafiq Ghurbal. Ashraf Ghurbal studied political science at Fu'ad I (now Cairo) University, graduating with honors in 1945. Two of his fellow students were Isma'il Fahmi (appointed Foreign Minister in November 1973) and Muhammad Riyad (Adviser to the Secretary General of the Arab League). All three joined the Ministry of Foreign Affairs shortly after graduating. They became known in the Ministry as "the Trio."

The Ministry sent Ghurbal to the United States in January 1946 to continue his education. He traveled to the United States aboard the *Cornelius Gillian*, a Liberty Ship filled to capacity with US troops returning from the war. During the voyage

he became acquainted with Ghasan Tuwayni, a Harvard-bound student from Lebanon. (Tuwayni is currently Deputy Prime Minister and Minister of Information and Education as well as editor and publisher of the Beirut daily *al-Nahar*.) The two men have remained friends since their 3½ years at Harvard.

Ghurbal almost failed in his studies at Harvard and was placed on probation by the end of his first term. He later ascribed his difficulties to home-sickness. After being urged to leave Harvard, he settled down in his studies and obtained M.A. and Ph. D. degrees in political science in 1948 and 1949, respectively. The subject of his doctoral dissertation was regional security arrangements.

In September 1949 Ghurbal returned to the Foreign Ministry with the rank of attaché. In February 1950 he was working (on loan) in the UN Secretariat in New York. He was back in Cairo in 1951, with the rank of Third Secretary, and returned to the United States in May of that year as a member of a Town Hall delegation that toured this country. Ghurbal then became acting deputy director of the International Organizations, Congresses and Treaties Section of the Foreign Ministry. Named Third Secretary of his country's Permanent Mission to the United Nations in 1952, he held that post until being assigned to the Embassy in Paris in 1954.

Transferred to London in January 1956 as Second Secretary, Ghurbal was promoted to First Secretary a month later. In July 1957 he was assigned to the Permanent Mission to the European Office of the United Nations in Geneva. While in that position he served as a member of a United Arab Republic subcommittee that held economic talks with France in 1958. He was promoted to Counselor of Mission in 1960, his last year in Geneva.

On his return to Cairo, Ghurbal served briefly as deputy director of the Foreign Ministry's International Conferences and Organizations Department. He participated in the first Nonaligned Conference, held in Belgrade in September 1960. Then Ghurbal served as deputy director of the Asian Affairs

Department from 1960 to 1962. In 1963 he went to New York as Counselor of the Permanent Mission to the United Nations. He was also named Counselor of Embassy in Ottawa in June 1963 but did not assume his duties until January 1964. After returning to Cairo in early 1965, Ghurbal held the post of Chief of Cabinet, possibly in the Office of the Under Secretary of Foreign Affairs. During 1966-67 he was director of the Ministry's Coordination and Control Department; he served in that position until his appointment as Minister of the Egyptian Interests Section in the Indian Embassy in Washington in January 1968.

UN Assignments

Ghurbal particularly values his experiences at the United Nations. During his assignment there between 1952 and 1954 he served as a member of the Human Rights Committee of the UN Economic and Social Council (ECOSOC). In April 1955 he attended the 11th Session of that committee in Geneva. A member of the US delegation described Ghurbal as intelligent, able, friendly and most helpful. Ghurbal was an observer at the 28th and 35th Sessions of the ECOSOC, held in July 1959 and April 1963, respectively. In April 1963 he attended the 15th Session of the UN Social Commission, and his constructive work at the June 1963 Technical Assistance Committee meeting drew additional praise from US delegates. In September of that year Ghurbal was elected Vice Chairman of the ECOSOC.

Ghurbal has also been a delegate to numerous sessions of the UN General Assembly. He attended the second Law of the Sea Conference, held in March 1960.

Personal Data

The Ambassador-designate is a cosmopolitan and very sociable individual. He dresses impeccably in a conservative manner. He is very comfortable among Americans, speaking excellent English and fluent French. He particularly enjoys talking about Alexandria, Egypt, and an orange grove he owns near

there, and recently he has mentioned owning a pear orchard in the Nile delta. Off-the-record conversations with Ghurbal are impossible, however; he accurately reports all that he hears to Cairo.

A Muslim, Ghurbal nevertheless takes a social drink; he does not smoke, except for an occasional after-dinner cigar. He is considered quite punctual for appointments and conducts much of his business early in the day.

Ghurbal is an avid swimmer and enjoys walking and saunas. During his last Washington assignment he took his family to a swim club almost daily. He attempted to take up painting while Counselor of Embassy in Ottawa, but the press of his duties prevented him from seriously pursuing that pastime.

Family

Mrs. Ghurbal

Ghurbal is married to the former Amal Ahmad Amir, a very attractive woman. She is not as comfortable among Americans as her husband. She also speaks fluent English and French. The Ghurbals will take up residence in a Massachusetts Avenue house that Mrs. Ghurbal decorated during their last stay in Washington. The couple has two children, a daughter, Nahed, aged 19, and a son, 'Umar, aged 15. Nahed attended Georgetown University's School of Foreign Service during the 1971-72 academic year. She is not enrolled this year, but she may return to Georgetown for the spring semester or at the beginning of the 1973-74 academic year.

23 November 1973

Egm S

AmEmbassy TEHRAN

ACTION: **INCOMING TELEGRAM** CONTROL NO. 5021

INFO: / AMB / DCM / SA / POL 2 / ICON / PM / USIS / CONS / OR / ADM / GSO / BF / PER / HU / RSO / MSG / TSO / SCRO / CRO / TCU / MP / DAO / MAAG / AGR / DEA / IRS / TCTR / CEOC / CEOR / CRU / SHIR / TABR / ISFA / 158

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FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC 7485
INFO RUDTC/AMEMBASSY LONDON 3619
RUOMNR/AMEMBASSY TEHRAN 1538
RUFHAU/AMEMBASSY VIENNA 0287
RUEKJCS/SECDEF WASH DC
RUEKJCS/DIA WASH DC
RUENAAA/CNO WASH DC
RUCBSAA/CINCLANTFLT NORFOLK VA
RUSNAAA/USCINCEUR VAIHINGEN GE
RUDORRA/USNMR SHAPE BE
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SECRET

APR 04 1978

E2-9

SECRET CAIRO 9848

FOR IAEA

E.O. 11652: GDS
TAGS: OREP, US, EG
SUBJECT: NUCLEAR POWERED WARSHIP (NPW) TRANSITS OF THE SUEZ CANAL

REF: STATE 77783

1. HAVE BEEN TURNING OVER IN MY MIND HOW BEST TO HANDLE REF SUBJECT IN LIGHT LIMITATIONS OUTLINED REFTEL AND HAVE ALSO DISCUSSED MATTER WITH ADMIRAL HOLLOWAY DURING HIS RECENT VISIT. I RECOGNIZE LIMITATIONS ON WHAT MAY BE SAID CONCERNING NPW'S, BUT STILL HOPE THAT AT LEAST SOMETHING CAN BE SAID WHICH WILL REASSURE EGYPTIANS ON SAFETY ASPECTS. IN THIS CONNECTION, I THINK WE HAVE TO RECOGNIZE THAT VISITS OF NPW'S TO PORTS AND TRANSIT THROUGH CANALS ARE TWO DIFFERENT THINGS. THE TWO U.S. NPW'S WHICH HAVE VISITED ALEXANDRIA WERE NOT IN THE INNER HARBOR AND ANCHORED AT LEAST 1.7 NAUTICAL MILES OUT. AT LEAST SOME EGYPTIANS ASSUME THAT, WHILE SAFETY RECORD OF OUR NPW'S IS IMPECCABLE, OUTER HARBOR ANCHORAGE SITE WAS CHOSEN BECAUSE OF POTENTIAL SAFETY PROBLEM AND NPW TRANSIT THROUGH THE SUEZ CANAL WOULD MEAN PASSAGE THROUGH A TWO HUNDRED METER-WIDE CHANNEL WITH HEAVILY POPULATED CITIES OF PORT SAID, ISMAILIA AND SUEZ MUCH CLOSER TO THE VESSEL THAN IN ALEXANDRIA. IT IS THIS THAT WORRIES SUEZ CANAL AUTHORITY, WHICH SEEMS TO BE PRINCIPAL BOTTLENECK HERE.

2. I HAVE HAD ANOTHER TALK WITH DEPUTY PRIMIN AHMED SULTAN AND HAE POINTED OUT TO HIM THE DISCLOSURE PROBLEM. I TOLD HIM WE ARE READY TO SEND AN EXPERT, AS HE HAD SUGGESTED, BUT BEFORE DOING SO I WANTED HIM TO KNOW THAT THERE IS VERY LITTLE THE EXPERT WILL BE ABLE TO REVEAL. VIRTUALLY EVERYTHING ABOUT NPW DESIGN AND OPERATIONS IS

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CLASSIFIED RESTRICTED DATA, WHICH WE HAVE CONSISTENTLY REFUSED TO PROVIDE TO THE MANY HOST COUNTRIES WHICH OUR NPW'S VI[illegible]. IF IT IS CLEARLY UNDERSTOOD THAT THE U.S. EXPERT[illegible] HAVE TO REFUSE TO ANSWER MANY QUESTIONS, AND IF THE EXERCISE IS MERELY A COSMETIC DESIGN TO ASSIST SULTAN IN MANAGING THESCOMMITTEE, WE WOULD, OF COURSE, BE WILLING TO DO SO. SULTAN SAID HE RECOGNIZED PROBLEM, BUT STILL THOUGHT SUCH A VISIT WOULD BE HELPFUL. HE SAID IT WOULD BE ESPECIALLY HELPFUL IF EXPERT COULD ADVISE ON WHAT SAFETY MONITORING IS DONE IN PANAMA CANAL DURING NPW TRANSITS. IF NO SAFETY MONITORING TAKES PLACE IN PANAMA CANAL, THIS WOULD ALREADY MAKE A STRONG IMPRESSION ON COMMITTEE MEMBERS. PLEASE LET ME KNOW WHAT, IF ANY, MONITORING IS DONE DURING NPW TRANSITS OF PANAMA CANAL.

3. I HAVE ALSO TALKED WITH VP MUBARAK ABOUT THE MATTER AND TOLD HIM OF MY PREVIOUS DISCUSSIONS WITH GAMASY, KAMEL, GHALI AND SULTAN. WHEN DOING SO, I BRIEFED MUBARAK ON THE UNEXCELLED SAFETY RECORD OF OUR NPW'S DURING THEIR MORE THAN TWENTY YEARS OF OPERATION AND VISITS TO FOREIGN PORTS. ALSO TOLD HIM THAT TWO U.S. NPW'S HAVE VISITED ALEXANDRIA. GAMASY, KAMEL AND SULTAN, I INDICATED, ARE SYMPATHETIC AND WANT TO HELP. POTENTIAL PROBLEM EXISTS, HOWEVER, WITH TECHNICAL COMMITTEE. MUBARAK SUGGESTED I CONTINUE TO WORK WITH GAMASY, KAMEL AND SULTAN AND TRY TO ASSIST THEM IN ALLAYING TECHNICAL COMMITTEE'S (AND SCA'S) CONCERNS. IF TECHNICAL COMMITTEE REMAINED OBDURATE, HE EXPRESSED WILLINGNESS TO INTERVENE SO THAT FAVORABLE DECISION MIGHT BE REACHED. I WILL LEAVE THIS AS A LAST RESORT.

4. GIVEN SULTAN'S VIEWS CITED PARA TWO ABOVE, I BELIEVE IT WOULD BE USEFUL IF REAR ADXIRAL CHEWNING VISITED EGYPT TO MEET WITH SULTAN AND THE TECHNICAL COMMITTEE AND MAKE WHATEVER PRESENTATION HE IS ABLE TO MAKE. WE SHOULD BEAR IN MIND THAT ESPECIALLY IMPORTANT IS PANAMA CANAL MONITORING PRECEDENT, WHATEVER THAT MAY BE. SINCE SULTAN EXPECTS TO BE AWAY FOR MUCH OF THIS MONTH, HE SUGGESTED CHEWNING COME IN LATE APRIL. PLEASE ADVISE IF THIS IS CONVENIENT. EILTS

AmEmbassy TEHRAN

ACTION: INCOMING TELEGRAM CONTROL NO. 3224

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AMB 1
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AMEMBASSY LONDON 9521
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Classified by AV-5

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ACTION COPY

S E C R E T STATE 062569

USIAEA

E.O. 11652: GDS

TAGS: OCLR, EG, US

SUBJECT: NPW TRANSIT OF SUEZ CANAL

REF: A. CAIRO 07257 (DTG 061759Z MAR 78)
B. STATE 023171 (DTG 280226Z JAN 78)
C. CAIRO 07539 (DTG 080910Z MAR 78)

1. FOLLOWING IS INFORMATION IN RESPONSE TO QUERY IN REFTEL CONCERNING USG KNOWLEDGE OF BRITISH, FRENCH AND SOVIET ASSURANCES REGARDING NPW SAFETY AND LIABILITY.

A. HMG HAS QUOTE STANDARD STATEMENT UNQUOTE WHICH IN ALL SUBSTANTIVE RESPECTS IS IDENTICAL TO US STANDARD STATEMENT. IN ADDITION, HMG HAS QUOTE MINISTERIAL STATEMENT OF JUNE 1976 UNQUOTE WHICH, WITHIN HMG, HAS SAME EFFECT AS US PUBLIC LAW 93-513. US AND UK THUS HAVE IDENTICAL APPROACH ON NPW FOREIGN PORT ENTRY.

B. TO BEST OF OUR KNOWLEDGE FRENCH HAVE YET TO REQUEST A FOREIGN PORT NPW VISIT. IN USG DISCUSSIONS WITH GOF CONCERNING NPW VISITS, WE MADE POINT THAT REQUESTS FOR VISITS TO US BY FRENCH NPW WOULD BE GIVEN CONSIDERATION ON BASIS OF RECEIPT OF UNILATERAL ASSURANCES SIMILAR TO US STANDARD STATEMENT AND A DEMONSTRATED RECORD OF SAFE OPERATION.

C. DEPT HAS NO KNOWLEDGE OF SOVIET PRACTICE REGARDING NPW FOREIGN PORT VISITS AND IS AWARE OF ONLY TWO PORTS VISITED BY SOVIET NPW. ONE WAS CIENFUEGOS, AND THE OTHER ALEXANDRIA. GOE CONSIDERATIONS IN THE DECISION ON THE 1972 AND EARLIER ALEXANDRIA VISITS BY SOVIET SSN WERE PROBABLY POLITICAL AND NOT GERMANE TO CURRENT QUESTION.

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2. USG POSITION WITH RESPECT TO NPW VISITS TO THE US THEREFORE CLOSELY PARALLELS POINTS YOU MADE TO FONMIN KAMEL (PARA 5 REFTEL A). WITH RESPECT TO YOUR ASSUMPTION IN PARA 8, REFTEL A, THE USG WOULD HAVE NO OBJECTION TO GOE MAKING QUOTE FREE PASSAGE OF WARSHIPS UNQUOTE PROVISION OF CONSTANTINOPLE CONVENTION OF 1888 APPLICABLE TO ALL NPW ON THE BASIS OF (1) UNILATERAL ASSURANCES SUCH AS OUR OWN, AND (2) DEMONSTRATED SAFE OPERATION, PROVIDED BY COUNTRY WISHING TO MAKE NPW TRANSIT OF THE SUEZ CANAL.

3. FYI: OUR OBJECTIVE IS TO AVOID ANY PRECEDENT WHICH COULD LEAD TO THE EROSION OF THE UNILATERAL POLICY WE AND THE BRITISH USE WORLDWIDE TO OBTAIN NPW ACCESS TO OTHER COUNTRIES. EROSION OF THAT POLICY MIGHT LEAD TO A REQUIREMENT FOR BILATERAL OR MULTILATERAL ARRANGEMENTS WHICH WOULD BE UNACCEPTABLE TO THE US. WHILE WE COULD NOT CONTROL TYPE OF ARRANGEMENT A THIRD COUNTRY MIGHT PROPOSE, OUR OBJECTIVE IS TO PERSUADE GOE TO REACH A DECISION THAT A UNILATERAL ASSURANCE, NOT GOING BEYOND THE BOUNDS OF THE US STANDARD STATEMENT AND PL 93-513, WOULD SUFFICE. END FYI.

4. THE REQUEST BY GOE TO IAEA FOR TECHNICAL ADVICE ON CONDITIONS OF NUCLEAR POWERED SHIP ENTRY WILL, WE EXPECT, RESULT IN ADVICE PATTERNED ALONG LINES FOR COMMERCIAL NUCLEAR SHIPS. AS PREVIOUSLY POINTED OUT IN REFTEL B, COMMERCIAL NUCLEAR SHIPS AND NPW ARE HANDLED ALONG ENTIRELY DIFFERENT LINES BY US AND OTHER COUNTRIES HOSTING SUCH VISITS. YOU MAY WISH TO EMPHASIZE TO GOE THAT OUR CURRENT REQUEST APPLIES ONLY TO PASSAGE OF US NPW THROUGH SUEZ CANAL AND NOT TO PASSAGE OF COMMERCIAL NUCLEAR SHIPS WHICH MAY REQUIRE ENTIRELY DIFFERENT REGIME.

5. IN RESPONSE TO REFTEL C, PANAMA CANAL TRANSITS BY NPW OTHER THAN THOSE OF UK HAVE NOT ARISEN. FYI: NO TRANSITS BY FOREIGN NPW HAVE OCCURRED TO DATE, BUT TWO UK NPW ARE SCHEDULED TO TRANSIT THIS YEAR. END FYI. SINCE THE UK HAS ALREADY PROVIDED THE US A QUOTE STANDARD STATEMENT UNQUOTE OF ASSURANCES IN CONJUNCTION WITH UK NPW VISITS TO US PORTS, THERE ARE NO ADDITIONAL REQUIREMENTS FOR UK NPW TRANSIT OF PANAMA CANAL. SINCE WE HAVE RECEIVED NO REQUESTS, AND ARE

UNAWARE OF FRENCH OR SOVIET POLICY REGARDING PORT VISITS OR ENTRY INTO INTERNAL WATERS OF ANOTHER STATE BY THEIR NPW, WE CANNOT CITE WITH CERTAINTY HOW PANAMA CANAL TRANSITS OF THEIR SHIPS WOULD BE HANDLED. SO LONG AS USG CONTROLS CANAL, APPROACH WE ARE PREDISPOSED TO FOLLOW IS TO SEEK THE SAME FORM OF UNILATERAL ASSURANCES WE GIVE OTHER COUNTRIES IN ORDER TO MAINTAIN CONSISTENCY OF POLICY FOLLOWED FOR US AND UK NPW OPERATIONS WORLDWIDE.

6. SUBSTANCE OF REFTELS AND THIS TELEGRAM HAVE BEEN DISCUSSED WITH BRITISH EMBASSY WASHINGTON. EMBASSIES CAIRO

AND LONDON MAY WISH TO REMAIN IN TOUCH WITH COUNTERPARTS. VANCE

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EXDIS

E.O. 12Ø65: RDS 1/23/89 (EILTS, HERMANN FR.) OR-M
TAGS: PEPR PINR PINT EG US
SUBJECT: (S) IMPLICATIONS N EGYPT OF REPORTS THAT CIA HAS BEEN ORDERED TO STUDY ISLAMIC MOVEMENTS

Ø. (S ENTIRE TEXT)

. SUMMARY: AL AHRAM PICKS UP WASHINGTON POST STORY THAT CIA HAS BEEN ASKED PREPARE COMPREHENSIVE STUDY OF ISLAMIC MOVEMENTS IN A L PARTS OF WORLD. LEAK IS REGRETABLE AND IS BOUND TO INTERFERE WITH EMBASSY'S EFFORTS FOSTER PRODOCTIVE DIALOGUE WITH RIGHT-WING RELIGIOUS ELEMENTS IN EGYPT. ORTHODOX MUSLIM RIGHT IS HIGHLY SENSITIVE AND SUSPICIOUS SECTOR. BECAUSE OF CONCERN OVER JERUSALEM, IT HAS STRONG SYMPATHIES WITH PALESTINIANS, IS BITTER ABOUT CONTINUED ISRAELI OCCUPATION OF WEST BANK AND GAZA AND, BECAUSE OF FRUSTRATION OVER INABILITY DO ANYTHING ABOUT THIS, ATTRIBUTES BLAME TO U.S. IN LAST FEW WEEKS, AS IRANIAN SITUATION DETERIORATED, THERE HAS BEEN MARKED INCREASE IN LATENT ANIMOSITY OF ORTHODOX EOYPTIAN MUSLIMS TOWARD U.S., VIRULANTLY ANTI-U.S. ARTICLES HAVE APPEARED IN TWO EYGPTIAN RELIGIOUS PAPERS, AND SOME CRITICISM OF U.S. HAS APPARENTLY ALSO BEEN LEVELED IN FRIDAY SERMONS. IMPRESSION EXISTS THAT UNITED STATES IS HOSTILE TO ISLAM. SOME POSITIVE ACTIONS ON OUR PART ARE NEEDED TO SHOW SYMPATHETIC UNDERSTANDING FOR ISLAM AND OVERCOME INNATE EGYPTIAN MUSLIM DISTRUST OF OUR MOTIVES. PRESS REPORTS OF INTELLIGENCE STUDIES, HOWEVER NEEDED SUCH A STUDY MAY BE, DO NOT HELP. END SUMMARY.

3. EGYPT'S MOST INFLUENTIAL NEWSPAPER, AL AHRAM, YESTERDAY PICRED UP HOAGLAND'S WASINGTON POST STORY THAT THE CIA HAS BEEN ASKED BY DR. BRZEZINSKI TO PREPARE A COMPREHENSIVE STUDY ON ISLAMIC MOVEMENTS IN ALL PARTS OF THE WORLD. THE INFORMATION WAS REPORTEDLY GIVEN THE POST BY SENATE FOREIGN RELATIONS COMMITTEE SOURCES. ALTHOUGH WE HOTE THAT THE HOAGLAND ARTICLE SPEAKS OF THE U.S. "INTELLICENCE COMMUNITY" BEING TASKED TO PREPARE SUCH A STUDY, AL AHRAM TRANSLATES THIS INTO CIA. SUCH A COMPREHENSIVE STUDY IS LONG OVERDUE, BUT IT IS REGRETTABLE THAT IT SHOULD HAVE LEAKED IN THIS FASHION. IT IS BOUND TO INTERFERE WITH THE EMBASSY'S EFFORTS TO FOSTER A PRODUCTIVE DIALOGUE WITH RIGHT-WING RELIGIOUS ELEMENTS IN EGYPT.

4. THERE IS NO SECTOR MORE SENSITIVE IN EGYPT THAN THE ORTHODOX MUSLIM RIGHT, THE RESIDUUM OF THE FORMER MUSLIM BROTHERHOOD MOVEMENT THAT PLAGUED EGYPT IN THE 194ØS AND 5ØS. IT IS STILL POTELK
KVXY TWOKL T POWERFUL POLCBYALQDGWM
ORCE INEDWIET, WITH THE SINGLE EVSIJYY
";1Ø)$6" .83/46,
A. THOUGH ITS WINGS HAVE BEEN CLIPPED AND IT SUFFERS FROM LEADERSHIP PROBLEMS. SEVERAL); 71'".4 3.?-$:)347.7/7))9 ESTABLISH DIRECT CONTACT WITH MUSLIM BROTHERHOOD LEADERS WERE REBUFFED, BUT IN THE PAST YEAR AND A HALF SOME CONTACT COULD BE MADE BY POLITICAL SECTION OFFICERS WITH OMAR TALMASANY, THE EDITOR OF THE BROTHERHOOD MONTHLY, AL DAWA, WHO CLAIMS TO BE ONE OF THE LEADERS OF THE ORGANIZATION. THIS CONTACT HAS HAD TO BE CAREFULLY AND DISCREETLY NURTURED, BUT HAS REACHED THE POINT WHERE TALMASARY AND SOME OF HIS COLLEAGUES ARE SHOWING SIGNS OF WELCOMING OVERT CONTACT AND FRANK DISCUSSIONS WITH EMBASSY OFFICERS. NOTHING WILL FRIGHTEN THEM OFF SO MUCH S THE IMPLICATION THAT THESE EXCHANGES ARE PART OF A COVERT CIA PROGRAM TO "STUDY" (OR IN MUSLIM EYES "UNDER-CUT") ISLAMIC MOVEMENTS.

5. IT IS HARD TO EXAGGERATE THE SUSPICION WITH WHICH THE U.S. IS LOOKED UPON BY ISLAMIC FUNDAMENTALISTS HERE. BECAUSE OF THEIR CONCERN OVER JERUSALEM, THIS GROUP HAS STRONG SYMPATHIES FOR THE PALESTINIANS AND IS BITTER ABOUT CONTINUED ISRAELI OCCUPATION OF THE WEST BANK AND GAZA. SADAT HAS BEEN CRITICIZED BY THE MUSLIM RIGHT FOR FA-LING AT CAMP DAVID TO OBTAIN A CLEAR-CUT COMMITMENT ON THE RETURN OF EAST JERUSALEM, THE SITE OF THE HARAM AL SHARIF, TO ARAB, MEANING MUSLIM, CONTROL. IT MAY BE EXPECTED THAT NEGATIVE MUSLIM REACTION OVER RECENT ISRAELI ACTIONS AT THE HEBRON HARAM AL-ISRAHIMI (JERUSALEM 212 NOTAL) WILL FURTHER AROUSE EGYPTIAN RIGHT-WING MUSLIMS. FRUSTRATION THAT ARAB FELLOW MUSLIMS ARE UNABLE TO DO ANYTHING ABOUT THE ISRAELI OCCUPATION OF THE WEST BANK AND PRACTICES INEVITABLY LEADS TO BLAME BEING ATTRIBUTED TO THE U.S., WHICH ORTHODOX MUSLIMS TEND TO HOLD RESPONSIBLE.

6. IN THE LAST FEW WEEKS, AS THE SITUATION IN IRAN DETERIORATED, WE HAVE SEEN A MARKED INCREASE IN THIS SUSPICION AND LATENT ANIMOSITY OF ORTHODOX EGYPTIAN
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INFO RUQMRA/AMEMBASSY JIDDA 7527
RUQMHR/AMEMBASSY TEHRAN 1827
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S E C R E T SECTION Ø2 OF Ø2 CAIRO Ø1539

EXDIS

MUSLIMS TOWARD THE U.S. THE POLITICAL DYNAMICS OF SHIA AND SUNNI ISLAM, AS PRACTICED IN IRAN AND EGYPT RESPECTIWELY, ARE DIFFERENT, BUT BOTH SHARE SUSPICION OF UNITED STATES PURPOSES. VIRULENTLY ANTI-U.S. ARTICLES HAVE NOT ONLY APPEARED IN THE TWO EGYPTIAN RELIGIOUS PERIODICALS, AL DAWA AND AL ETISAM (SEPTELS), BUT, AS REPORTED SEPARATELY, SOME SENIOR EGYPTIAN MINISTERS ARE SHOWING SOME CONCERN ABOUT THE FAGT THAT U.S. MOTIVES HAVE BEGUM TO BE QUESTIONED IN THE FRIDAY MOSQUE SERMONS. THIS IS LIKELY TO BECOME WORSE RATHER THAN BETTER AS THE SOVIET SLOC AND EGYPTIAN LEFTISTS, SUCH AS KHALID MOHIE EL DIN, WHO HAS SOUGHT TO RETAIN HIS CREDENTIALS WITH THE MUSLIM RIGHT, SEEK TO EXPLOIT THE SITUATION. REPORTS OF CIA "STUDIES" OF ISLAMIC MOVEMENTS CAN ONLY EXACERBATE THE SITUATION.

7. A WORD MAY ALSO BE IN ORDER ON THE MERITS OF A CIA STUDY OF ISLAMIC ACTIVITY HERE. SEVERAL YEARS AGO I PROPOSED THIS, BUT WAS ADVISED THAT THE SUBJECT WAS TOO SENSITIVE TO GOE TO WARRANT THE RISK OF CIA INVOLVEMENT. THE POINT WAS WELL TAKEN, HENCE I INSTRUCTED THE EMBASSY TO DEVELOP DISCREET CONTACTS IN ORTHODOX MUSLIM CIRCLES AND THIS HAS BEEN TAKING PLACE. WE WILL ATTEMPT TO HAVE THESE CONTINUE AND WILL HAVE TO PROBE HOW MUCH THESE UNHELPFUL PRESS LEAKS HAMSTRING WHAT WAS ALREADY UNDERWAY. THE EGYPTIAN MUSLIM RIGHT IS NO LESS SENSITIVE TODAY, IN TERMS OF SADAT AND GOE, AND ANY SUCH CIA STUDY WOULD PROBABLY HAVE TO BE BASED ON SECONDARY (I.E. GOE) SOURCES. THERE ARE OBVIOUS DISADVANTAGES TO THIS. AT SAME TIME, SRF HAS SOME USEFUL INSIGHTS INTO RIGHT-WING RELIGIOUS SITUATION AND EMBASSY'S REPORTING (E.O. 78 CAIRO A-177) HAS DRAWN ON SUCH INFORMATION AS WELL AS ON OUR OWN CONTACTS.

8. THE EGYPTIAN ORTHODOX MUSLIM RIGHT NEEDS BE CAREFULLY MONITORED, SINCE IT HOLDS ONE OF THE KEYS TO FUTURE POLITICAL STABILITY IN THIS COUNTTY. I WOULD HOPE, HOWEVER, THAT WASHINGTON WILL KEEP AS LOW A PROFILE AS POSSIBLE REGARDING ISLAMIC FUNDAMENTALISM IN EGYPT. THE PRIMITIVISM AND HYPERSENSITIVITY OF THIS GROUP IS HARD TO EXAGGERATE. OUR EFFORT SHOULD BE DIRECTED AT DEVELOPING A FRUITFUL AND, HOPEFULLY, CANDID DIALOGUE WITH MUSLIM BROTHERHOOD LEADERSHIP RATHER THAN PROJECTING AN IMPRESSION OF INTELLIGENCE STUDIES, HOWEVER NEEDED THESE MAY BE.

9. THE IMPRESSION EXISTS AMONG MANY ELEMENTS IN THE EGYPTIAN ORTHODOX MUSLIM RIGHT THAT THE UNITED STATES IS HOSTILE TO ISLAM. THIS IS NOT EASY TO OVERCOME AND OCCASIONAL ARTICLES IN THE AMERICAN PRESS ARE CULLED BY MUSLIM BROTHERHOOD LEADERS AS ALLEGEDLY CONFIRMING SUCH A VIEW. SO ARE PUBLIC CRITICISMS BY CONGRESSIGNAL LEADERS AND OTHER PROMINENT AMERICANS OF SAUDI ARABIA, WHICH TEND TO BE SEEN AS INDIRECT ATTACKS ON A STAUNCHLY ORTHODOX MUSLIM COMMUNITY. WE WOULD WARM THAT WESTERN LOGIC AND WESTERN RATIONALITY IS NOT AN ELEMENT WHICH IS APPLICABLE TO THE EGYPTIAN ORTHODOX MUSLIM RIGHT. POSITIVE ACTIONS ON OUR PART TO SHOW A SYMPATHETIC UNDERSTANDING FOR ISLAM, SUCH AS PRESIDENT CARTER'S INVITATION TO THE LATE SHEIKH OF AL AZHAR, AND OCCASIONAL SYMPATHETIC COMMENTS LIKE THE RECENT REMARKS BY PRESIDENT CARTER, CAN BE HELPFUL IN OVERCOMING THIS INNATE EGYPTIAN MUSLIM DISTRUST OF OUR MOTIVES. PRESS REPORTS OF INTELLIGENCE STUDIES WILL NOT BE. EILTS
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[illegible]DIS

[illegible].O. 12065: GDS 1/24/85 (FILTS, HERMANN F.). OR-M
[illegible]GS: PEPR, PGOV, IR, EG, US
[illegible]BJECT: (S) SADAT ON THE SHAH AND IRANIAN SITUATION

1. (S - ENTIRE TEXT)

[illegible]. SUMMARY. SADAT SAYS SHAH IS OFFENDED AND BITTER AT [illegible]
[illegible]ATMENT FROM U.S. ADMINISTRATION. HE HAS INVITED SHAH [illegible]
[illegible]D SHAHBANOU TO RETURN TO EGYPT, WHICH THEY PLAN TO DO. [illegible]
[illegible]AH DID NOT CONTACT IRANIAN MILITARY OR SECURITY FORCES [illegible]
[illegible]OM ASWAN, BUT WILL BE ABLE MONITOR IRANIAN SITUATION [illegible]
[illegible]E CLOSELY FROM CAIRO AND ASSESS HOW IT IS EVOLVING. [illegible]
[illegible]DAT URGES THAT USG ALLOW SHAH TO KEEP ALL HIS OPTIONS [illegible]
[illegible]N. HE ALSO EXPRESSES CONCERN OVER STORY TOLD HIM BY [illegible]
[illegible] SHAH THAT USG HAS ASKED IRANIAN AIR FORCE CHIEF [illegible]
[illegible]W UP ANY SOPHISTICATED U.S. MILITARY EQUIPMENT THAT [illegible]
[illegible]Y BE ENDANGERED IF INTERNAL SECURITY SITUATION DETERIO- [illegible]
[illegible]ATES. HE RECALLED HIS EARLIER OFFER TO PROVIDE STORAGE [illegible]
[illegible]CILITIES IN EGYPT FOR ANY SUCH EQUIPMENT. HE VIEWS [illegible]
[illegible]ANIAN MILITARY MACHINE AS MAJOR FACTOR FOR STABILITY [illegible]
[illegible] AREA AND URGES THAT WE MAINTAIN CLOSE CONNECTION WITH [illegible]
[illegible]. HE ALSO WANTS A LINK TO IRANIAN ARMY THROUGH US. [illegible]
[illegible]D SUMMARY.

[illegible]. MOST OF MY TWO FOUR MEETING OF TODAY WITH SADAT AND [illegible]
[illegible] MUBARAK DEALT WITH THE SHAH AND THE IRANIAN SITUATION [illegible]
[illegible]F ITS IMPLICATIONS. WITH FREQUENT REPETITIONS, SADAT [illegible]
[illegible]E FOLLOWING POINTS:

[illegible] IN HIS MANY TALKS WITH THE SHAH IN ASWAN, THE PRESI- [illegible]
[illegible]T HAD GAINED THE CLEAR IMPRESSION THAT THE SHAH BE-

LIEVES HE WAS BADLY TREATED BY THE ADMINISTRATION. VARIOUS THINGS SAID AND DONE BY PRESIDENT CARTER AND SENIOR ADMINISTRATION SPOKESMEN HAD DEEPLY OFFENDED THE SHAH. SHAH IS BITTER. I SAID THAT THIS WAS SURPRISING SINCE THE CARTER ADMINISTRATION, LIKE ITS PREDECESSORS, HAS STRONGLY SUPPORTED THE SHAH AND LOOKS UPON HIM AS THE CONSTITUTIONAL LEADER OF THE COUNTRY. THE ADMINISTRATION HAS, IN FACT, RECEIVED SOME CRITICISM FROM CRITICS OF THE SHAH IN THE U.S. FOR THE DEGREE OF ITS SUPPORT. ADMINISTRATION SPOKESMEN HAVE REPEATEDLY STATED THAT SHAH IS WELCOME IN U.S. SADAT INDICATED AWARENESS OF THIS FACT, BUT REITERATED THAT THE SHAH FEELS HE HAS BEEN ILL-TREATED BY THE ADMINISTRATION. HE GAVE NO DETAILS.

5. SADAT NOTED THAT HE HAS INVITED THE SHAH AND SHAHBANOU TO RETURN TO EGYPT AND REMAIN HERE FOR AS LONG AS THEY WOULD LIKE. HE UNDERSTANDS THAT, RATHER THAN PROCEED TO U.S., THEY WILL RETURN TO EGYPT IN THE NEXT DAY OR TWO. WHILE IN ASWAN, DESPITE THE URGINGS OF THE SHAHBANOU THAT THE SHAH SEEK TO RESUME CONTACTS WITH THE IRANIAN MILITARY AND SECURITY FORCES, THE SHAH HAD NOT ATTEMPTED TO MAKE ANY SUCH CONTACTS. THE SHAH HAD SAID THAT HE HAD GIVEN HIS WORD NOT TO DO SO AND HE INTENDED TO HONOR IT. THE SHAH'S RETURN TO CAIRO, SADAT COMMENTED, WILL ENABLE HIM TO BE CLOSER TO IRAN AND TO ASSESS MORE ACCURATELY HOW THE IRANIAN SITUATION IS EVOLVING. SADAT AVOIDED ANY SUGGESTION OF GOE ASSISTANCE TO THE SHAH TO REGAIN HIS POSITION. IN FACT, THE PRESIDENT EMPHASIZED THAT HE PERSONALLY DID NOT KNOW WHETHER OR NOT THE SHAH WILL BE ABLE TO RETURN TO IRAN. HE CONSIDERED IT IMPORTANT, HOWEVER, THAT THE USG ALLOW THE SHAH TO KEEP ALL OF HIS OPTIONS OPEN AND, AS SADAT PUT IT, "NOT SLAM THE DOOR IN HIS FACE."

6. RECALLING HIS EARLIER OFFER TO PROVIDE STORAGE FACILITIES IN EGYPT FOR ANY MILITARY EQUIPMENT WHICH WE MIGHT WISH TO TAKE OUT OF IRAN (CAIRO'S 394), SADAT SAID THAT HE HAD BEEN DISTURBED TO HEAR FROM THE SHAH THAT CONSIDERATION IS BEING GIVEN TO DESTROYING SOME SUCH EQUIPMENT. THE SHAH HAD TOLD HIM IN CONFIDENCE THAT THE USG HAS A VERY CLOSE RELATIONSHIP WITH THE IRANIAN ARMED FORCES, AND ESPECIALLY WITH THE IRANIAN AIR FORCE. HE EXPRESSED FULL CONFIDENCE IN THE COMMANDER OF THE IRANIAN AIR FORCE. ACCORDING TO THE SHAH, THE USG HAS ASKED (GIVEN ORDERS) TO THE COMMANDER OF THE IRANIAN AIR FORCE TO BLOW UP ANY SOPHISTICATED MILITARY EQUIPMENT THAT MAY BE ENDANGERED IF THE INTERNAL SECURITY SITUATION DETERIORATES STILL MORE. IF IT IS TRUE THAT USG WANTS SUCH

EQUIPMENT DESTROYED, SADAT SAID THIS MAKES LITTLE SENSE. HE HAD OFFERED TO STORE ANY SUCH EQUIPMENT AND THAT OFFER STILL STANDS. SUCH EQUIPMENT WOULD BE USEFUL HERE. IF USG IS NOT IN A POSITION TO MAKE IT AVAILABLE TO GOE AT THIS TIME, IT COULD BE HELD FOR A MORE PROPITIOUS MOMENT.

7. SADAT THEN ALLUDED TO THE IRANIAN MILITARY MACHINE. IT HAD BEEN BUILT UP AND TRAINED LARGELY BY THE USG. IT HAS BEEN A FORCE FOR STABILITY IN THE AREA. IT IS ESSENTIAL, HE CONTENDED, THAT A WAY BE FOUND TO KEEP IT IN THAT CAPACITY. THE CLOSE USG CONNECTION WITH THE IRANIAN MILITARY SHOULD BE MAINTAINED AND HE, SADAT, ALSO WANTS A LINK TO THE IRANIAN ARMY THROUGH US. HE HAD NOT TOLD

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S E C R E T FINAL SECTION OF 02 STATE 020161/02

EXDIS

THIS TO THE SHAH. HE EMPHASIZED THAT HE WAS NOT PLOTTING ANYTHING, BUT HOPED THAT WE MIGHT PUT ACROSS TO THE IRANIAN MILITARY LEADERSHIP THAT SADAT BELIEVES THE DESTINY OF IRAN AND EGYPT, AS FACTORS FOR STABILITY IN THE AREA, REQUIRES COOPERATION AND MUTUAL UNDERSTANDING.

8. I TOLD SADAT THAT HE COULD BE SURE THAT WE SHARE HIS CONCERN OVER THE IRANIAN SITUATION. WE ARE FOLLOWING IT CLOSELY AND AT THE HIGHEST LEVELS. I WAS SORRY THAT THE SHAH FEELS THAT HE HAS BEEN ILL-TREATED, BUT SADAT SHOULD KNOW THAT WE CONTINUE TO REGARD THE SHAH AS THE CONSTITUTIONAL MONARCH. I ACKNOWLEDGED THAT WE HAVE LONG HAD CLOSE RELATIONS WITH IRANIAN MILITARY LEADERS, WHILE I HAD NO DETAILS, I THOUGHT HE COULD BE SURE THAT WE SHARE HIS VIEW THAT EVERYTHING POSSIBLE SHOULD BE DONE TO INSURE THAT THE IRANIAN MILITARY REMAINS A STABILIZING ELEMENT IN THE AREA. AS FOR THE SHAH, I REITERATED THAT WE REGARD HIM AS CONSTITUTIONAL MONARCH OF IRAN AND THOUGHT THAT NO ONE IS SEEKING TO FORECLOSE HIS OPTIONS. THE MATTER IS ONE FOR THE IRANIAN PEOPLE TO DECIDE. I EXPRESSED SOME SKEPTICISM OVER THE STORY THAT ORDERS HAD BEEN GIVEN FOR THE IRANIAN AIR FORCE TO DESTROY U.S. MILITARY EQUIPMENT. I WOULD OF COURSE REPORT HIS COMMENTS AND LET HIM KNOW WASHINGTON'S REACTIONS.

9. SADAT WILL EXPECT SOME KIND OF A RESPONSE TO HIS DEMARCHE. PLEASE ADVISE WHAT THE DEPT WISHES ME TO TELL HIM.

10. DEPT MAY WISH REPEAT THIS MESSAGE TO TO TEHRAN. BILTS UNQUOTE VANCE
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C O N F I D E N T I A L TEHRAN 3259

E.O. 12056: GDS 3/26/79 (METRINKO, M.J.) OR-P
TAGS: PINS, IR
SUBJ: IRANIAN REACTION TO THE ISRAELI-EGYPTIAN TREATY

1. : - ENTIRE TEXT.

2. SUMMARY: THE IRANIAN MFA, RELIGIOUS LEADERS AND "POPULACE" HAVE MARKED THE PRPOSED SIGNING OF THE ISRAELI-EGYPTIAN TREATY WITH A SERIES OF DENOUNCEMENTS AND PROTEST MARCHES. END SUMMARY.

3. THE IRANIAN MFA STRONGLY ATTACKED THE ISRAELI-EGYPTIAN TREATY TODAY IN AN OFFICIAL ANNOUNCMENT BROADCAST OVER NATIONAL RADIO. CLAIMING THAT ANY TREATY MUST ACKNOWLEDGE PALESTINIAN INTERESTS IN THE AREA, THE ANNOUNCEMENT ALSO PLEDGED FULL ASSURANCES OF SUPPORT TO THE PALESTINIAN CAUSE. FONMIN SANJABI HAS SENT A TELEGRAM TO ARAFAT RECOGNIZING HIM AS THE OFFICIAL REPRESENTATIVE OF THE PLAESTINIANS AND PLEDGING GOI SUPPORT TO HIM.

4. TEHRAN RADIO ALSO BROADCAST STATEMENTS STRONGLY ATTACKING THE TREATY WHICH WERE READ BY TWO ARAB STUDENTS. THE SPOKESMEN, PART OF THE GROUP STILL OCCUPYING THE EGYPTAIN EMBASSY, CALIMED THAT THEIR GROUP WAS COMPOSED OF "ARAB STUDENTS LIVING IN IRAN." THEY ALSO CLAIMED THAT THEY HAD NOT ATTACKED THE EMBASSY, BUT HAD BEEN GIVEN PREMISSION TO OCCUPY THE BUILDING BY AN EMBASSY O"OFFICIAL" WHO TOLD THEM HE SUPPORTED THEIR CAUSE. THIS VARIES FROM TGYPTIAN EMBASSY VERSION (SEE SITREP).

5. A GROUP CALLING THEMSELVES THE "MOSLEM STUDENTS" OF THE TEHRAN ARMY OFFICERS COLLEGE HAS ISSUED A STATEMENT PROTESTING THE TREATY, AND THUS FAR RALLIES AGAINST THE TREATY HAVE BEEN DECRIBED IN TWO PROVINCIAL CITIES. IN RAFSANJAN, OVER FORTY THOUSAND PEOPLE DEMONSTRATED AGAINST THE PACT AND FOR AN ISLAMIC REPUBLIC IN IRAN. IN TABRIZ, THE NUMBER OF DEMONSTRATORS AGAINST THE ISRAELI-EGYPTIAN TREATY IS DESCRIBED ON THE RADIO AS "HUNDREDS OF THOUSANDS" AND APPARENTLY STILL CONTINUING, IN ADDITION TO THE ANTI-TREATY SPEECH (SEPTEL) MADE BY KHOMEINI, AYATHOLLAH BORUJERDI HAS ALSO ATTACKED THE SIGNING.

6. DEMONSTRATIONS IN TEHRAN HAVE CONTINUED SPORADICALLY THROUGHOUT THE DAY. BESIDES THE OCCUPATION OF THE EGYPTIAN EMBASSY, A PROTEST MARCH WAS HELD ON SHAH REZA STREET EARLIER THIS MORING. ONE SMALL GROUP HAS ALREADY PASSED (WITHOUT STOPPING) BY THE AMERICAN EMBASSY THIS AFTERNOON AND OTHERS ARE EXPECTED. SULLIVAN
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RUFHRS/AMEMBASSY ALGIERS 0152
RUEHAM/AMEMBASSY AMMAN 1086
RUEHAD/USINT BAGHDAD 0146
RUQMBE/AMEMBASSY BEIRUT 1822
RUEHEG/AMEMBASSY CAIRO 1243
RUEHDM/AMEMBASSY DAMASCUS 0428
RUQMDJ/AMEMBASSY DJIBOUTI 0189
RUQMOD/AMEMBASSY DOHA 0244
RUQMRA/AMEMBASSY JIDDA 4459
RUSBKR/AMCONSUL KARACHI 0867
RUQMKW/AMEMBASSY KUWAIT 1242
RUQMKM/AMEMBASSY KHARTOUM 0372
RUDTC/AMEMBASSY LONDON 1013
RUQMAM/AMEMBASSY MANAMA 0503
RUQMDI/AMEMBASSY MOGADISCIO 0230
RUQMMT/AMEMBASSY MUSCAT 0517
RUDKBT/AMEMBASSY RABAT 0185
RUQMHR/AMEMBASSY TEHRAN 0595
RUQMTI/AMEMBASSY TRIPOLI 0182
RUDKKR/AMEMBASSY TUNIS 0300
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C O N F I D E N T I A L SECTION 1 OF 2 SANA 3026

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E.O. 12065: GDS 5/1/85 (VESSEY, JOHN W.) OR-V
TAGS: PORG, YE
SUBJECT: (C) EGYPTIAN MEMBERSHIP IN ISLAMIC FOREIGN MINISTERS CONFERENCE AND UN AGENCIES (WHO)

REF: A. STATE 099241 B. STATE 101992

1. (C-ENTIRE TEXT)

2. CHARGE MET APRIL 30 WITH DEPUTY FOREIGN MINISTER IBRAHIM AL-KIBSI TO COVER POINTS RAISED REF A. UNEF ROLE IN SINAI ALSO DISCUSSED AT MEETING AND REPORTED SEPTEL. CHARGE'S DISCUSSION OF TALING POINTS AND AL-KIBSI'S REACTIONS FOCUSED ON TWO ISSUES, ISLAMIC FOREIGN MINISTER'S CONFERENCE AND EFFORTS TO EXPEL EGYPT AND ISRAEL FROM UN SPECIALIZED AGENCIES.

2. AL-KIBSI REITERATED YARG POLICY OF SILENT "SUPPORT" FOR EGYPT STATING YARG WOULD NOT SUPPORT MOVE TO EXCLUDE EGYPT FROM CONFERENCE UNLESS FORCED TO DO SO BY OTHER ARAB STATES. ESSENTIALLY, YARG WISHES IT COULD DO MORE TO SUPPORT EGYPT BUT EXTREMELY UNSTABLE INTERNAL POLITICAL SITUATION AND YAR DEPENDENCE ON SAUDI ARABIAN AID LIMIT YARG'S OPTIONS. IRAQI THREAT TO SUBVERT GOVERNMENTS OF BAGHDAD II "BACKSLIDERS" IS REAL MENANCE TO YAR. COMMENTING ON EGYPT-ISRAEL PEACE TREATY, AL-KIBSI DID NOT REJECT ARGUMENT THAT TREATY MAY LEAD TO COMPREHENSIVE SETTLEMENT BUT NOTED THAT THERE HAVE BEEN NO CONCRETE DEVELOPMENTS TO INDICATE MOVEMENT IN THIS DIRECTION.

3. CHARGE MDE STRONG APPEAL ON ISSUE OF EGYPTIAN AND ISRAELI MEMBERSHIP IN UN SPECIALIZED AGENCIES FOCUSING SPECIFICALLY ON WHO, EMPHASIZING HUMANITARIAN NATURE OF THESE AGENCIES AND NECESSITY TO KEEP AGENCIES ABOVE POLITICS. AGAIN AL-KIBSI AGREED IN PRINCIPLE BUT STATED YARG HAD TO BALANCE ITS DIRECT INTERESTS IN SPECIFIC ISSUE WITH PRESSURE FROM OTHER ARAB STATES. PRESUMABLY YARG'S INTEREST IN EGYPT'S AND ISRAEL'S CONTINUED MEMBERSHIP IN UN SPECIALIZED AGENCIES I NOT OF SUFFICIENT MAGNITUDE TO COUNTERBALANCE IRA [illegible] THREATS AND END OF SAUDI AID. YARG WILL FALL IN LINE, EVEN IF AT THE END OF THE LINE, AND FOLLOW THE LEAD OF MAJORITY OF ARAB STATES ON THIS ISSUES.

4. REGARDING WHO REGIONAL HEADQUARTERS, AL-KIBSI RAISED THE POINT, WHICH DEPARTMENT WILL UNDOUBTEDLY HEAR IN REPORTS FROM OTHER AREA EMBASSIES, THAT BY NOT MOVING WHO HEADQUARTERS FROM ALEXANDRIA, THE UN IS DIMINISHING THE EFFECTIVENESS OF WHO. ARGUMENT FOLLOWS THESE LINES: IF WHO IS IN ALEXANDRIA, ARABS WILL NOT PARTICIPATE IN HEADQUARTERS FUNCTIONS OR TRAINING; IF ARAB WON'T PARTICIPATE, WHO FAILS TO SERVE A MAJORITY OF PEOPLE IN AREA; THEREFORE, IT IS UN AND WHO MAKING POLITICAL DECISION TO LEAVE WHO IN ALEXANDRIA THEREBY DIMINISHING WHO'S EFFECTIVENESS. CHARGE'S ARGUMENTS THAT HUMANITARIAN AGENCIES MUST BE ABOVE POLITICS AND EXAMPLE OF UN HEADQUARTERS IN NEW YORK (WITH U.S. PERMITTING ENTRY OF ALL NATIONS INCLUDING THOSE WITH WHOM WE HAVE NO RELATIONS AND DISAGREE POLITICALLY) FELL ON DEAF EARS. AL-KIBSI CLOSED THIS PHASE OF DISCUSSION BY SAYING IF MOHAMED WON'T GO TO THE MOUNTAIN, THE MOUNTAIN MUST GO TO MOHAMED.

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RUEHAM/AMEMBASSY AMMAN 1087
RUEHAD/USINT BAGHDAD 0147
RUQMBE/AMEMBASSY BEIRUT 1825
RUEHEG/AMEMBASSY CAIRO 1244
RUEHDM/AMEMBASSY DAMASCUS 0429
RUQMDJ/AMEMBASSY DJIBOUTI 0190
RUQMD[illegible]EMBASSY DOHA 0245
RUJMRA/AMEMBASSY JIDDA 4460
RUSBKR/AMCONSUL KARACHI 0868
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RUQMMI/AMEMBASSY MUSCAT 0518
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BT
C O N F I D E N T I A L SECTION 2 OF 2 SANA 3026

5. FOR WHAT LITTLE COMFORT IT MAY BE, YARG WOULD LIKE TO SUPPORT EGYPT BUT IS NOT IN A STRONG ENOUGH POSITION FINANCIALLY OR POLITICALLY TO WITHSTAND ANTI-EGYPTIAN PRESSURE FROM BOTH THE "MODERATE" AND "REJECTIONIST" ARAB STATES.

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RUQMAT/AMEMBASSY ATHENS PRIORITY 2Ø65
RUEHAD/USINT BAGHDAD PRIORITY Ø9ØØ
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7586
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 44Ø9
RUEHEG/AMEMBASSY CAIRO PRIORITY 8937
RUESRS/AMEMBASSY CARACAS PRIORITY 5991
RUQMOD/AMEMBASSY DOHA PRIORITY 9321
RUEHJM/AMCONSUL JERUSALEM PRIORITY Ø811
RUQMKW/AMEMBASSY KUWAIT PRIORITY 6955
RUDTC/AMEMBASSY LONDON PRIORITY 1915
RUFHMD/AMEMBASSY MADRID PRIORITY 8Ø61
RUQMAM/AMEMBASSY MANAMA PRIORITY 4418
RUEHME/AMEMBASSY MEXICO PRIORITY 111Ø
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4581
RUEHMO/AMEMBASSY MOSCOW PRIORITY Ø358
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7765
RUQMQG/AMEMBASSY NICOSIA PRIORITY 64Ø7
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7516
RUFNPS/AMEMBASSY PARIS PRIORITY 1928
RUDKBT/AMEMBASSY RABAT PRIORITY 1429
RUQMHR/AMEMBASSY TEHRAN PRIORITY 21Ø6
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 2948
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8587
RUDKKR/AMEMBASSY TUNIS PRIORITY 29Ø4
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C O N F I D E N T I A L SECTION Ø1 OF Ø4 STATE 111767/Ø1

E.O. 12Ø65 GDS 5/2/85 (WOLLE, WILLIAM D.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 8Ø2 - MAY 2, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS M'RPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-9 CONFIDENTIAL)

1. ONE MONTH AFTER THE BAGHDAD BANCTIONS WERE ANNOUNCED, IT APPEARS THAT THE CHIEF ECONOMIC IMPACT ON EGYPT WILL BE THE LOSS OF NEW ARAB AID COMMITMENTS AND POSSIBLY THE END OF THE SAUDI "SAFETY NET" THAT HAS GIVEN OTHER LENDERS GREATER CONFIDENCE IN EGYPT'S PROSPECTS. OFFICIAL INVESTMENT PROGRAMS HAVE SUFFERED SOME INJURY BUT ARE NOT DEAD; PRIVATE ARAB INVESTORS APPEAR CAUTIOUS BUT NOT TOTALLY UNDETERRED. DESPITE AN INITIAL FLURRY OF CONCERN ABOUT A BOYCOTT OF THE SUEZ CANAL AND THE SUMED OIL PIPELINE, TRANSPORTATION AND COMMUNICATIONS LINKS SO FAR REMAIN VIRTUALLY INTACT. ONLY IRAQ HAS DECLARED PARTIAL TRADE RESTRICTIONS.

2. PRESSURES FROM ARAB HARDLINERS ON JAPAN AND GERMANY TO REJECT EGYPTIAN AID PLEAS ARE CAUSING SOME NERVOUSNESS IN BONN AND TOKYO, -- ESPECIALLY THE LATTER -- BUT TO DATE THEY HAVE REMAINED NON-COMMITTAL, PRESUMABLY HOPING THAT THE TEMPEST WILL BLOW OVER BEFORE THEY ARE FORCED TO TAKE SIDES.

3. THE TACTIC OF THE MODERATES IN ARAB COUNCILS HAS BEEN TO ABSORB THE MAIN FORCE OF RADICAL INITIATIVES BY GIVING IN ON HIGHLY VISIBLE ISSUES. WHILE THE SAUDIS WOULD LIKE TO LIMIT THE LONGER-TERM DAMAGE AND HOPE FOR AN EVENTUAL RECONCILIATION, THEY FEEL THAT EGYPT HAS VIOLATED THEIR TRUST AND THEREFORE MUST TAKE THE FIRST STEP. SADAT, HOWEVER, IS IN NO MOOD FOR RECONCILIATION. HE HAS RETURNED SLAP FOR SLAP, SOMETIMES THREE FOR ONE AND SWINGING FIRST.

4. SUCH BILATERAL SUBSIDIES AS THE RABAT AND KHARTOUM PAYMENTS ARE DEAD. THE GULF ORGANIZATION FOR THE DEVELOPMENT OF EGYPT (GODE), WHICH HAD BECOME THE PRIMARY VEHICLE FOR CHANNELING GULF ARAB ECONOMIC AID TO EGYPT, HAS BEEN DECLARED MORIBUND BY ITS PRINCIPALS, A MANEUVER WHICH KILLS EGYPTIAN HOPES FOR A REPLENISHMENT OF ITS CAPITAL. BUT ALSO FINESSES THE ISSUE OF EGYPT'S DEBT SERVICE PAYMENTS TO GODE -- AN ESTIMATED DOLS 15Ø MILLION IN 1979 AND DOLS 2.3 BILLION OVER THE NEXT 6 YEARS. SAUDI ARABIA HAS DECLARED ITS INTENTION TO HONOR EXISTING COMMITMENTS, NOTABLY ITS DOLS 525 MILLION FUNDING FOR THE F-5 PROGRAM.

5. EGYPT'S MEMBERSHIP IN THE FOLLOWING FINANCIAL INSTITUTIONS HAS BE-N "SUSPENDED": THE ARAB FUND, THE ARAB MONETARY FUND, THE ARAB-AFRICAN BANK, THE ARAB INVESTMENT CO., AND THE FOUNDATION OF ARAB BANKS. (A MOTION TO EXPEL EGYPT FROM THE AUTHORITY FOR AGRICULTURE AND INDUSTRIAL DEVELOPMENT IN SUDAN (AAID), HOWEVER, WAS STALLED BY ARGUMENTS THAT THE AAID IS A CORPORATION, NOT A GOVERNMENTAL AGENCY, AND HENCE NOT SUBJECT TO BAGHDAD'S PURVIEW.) AFTER SUSPENDING EGYPT'S MEMBERSHIP THE ARAB FUND'S DIRECTORS AUTHORIZED CONTINUED PAYOUTS ON DOLS 245 MILLION IN EXISTING PROJECT LOAN COMMITMENTS, OF WHICH ONLY 3Ø PERCENT HAD BEEN DISBURSED SO FAR.

SUSPENDED PAYMENTS ON SIX PROJECTS -- INCLUDING SUEZ CANAL IMPROVEMENT -- BUT ON THE TECHNICAL GROUNDS THAT
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[redacted] EGYPT HAD DEFAULTED ON DEBT SERVICES.

IN THE MEANTIME, THE HARDLINERS, LED BY IRAQ, ARE [redacted]USHING HARD FOR EXPULSION OF EGYPT FROM THE ISLAMIC [redacted]NFERENCE, WHICH WOULD LEAD TO A LOSS OF ISLAMIC BANK [redacted]NDING OF SUCH IMPORTANT PROJECTS AS THE SUEZ CANAL [redacted]DENING. A PROSPECTIVE DOLS 250 MILLION LOAN TO HAVE [redacted]EN SYNDICATED BY SEVERAL COMMERCIAL ARAB BANKS HAS [redacted]SO REPORTEDLY FALLEN THROUGH AS A RESULT OF STOCKHOLDER [redacted]RVOUSNESS.

AFTER A FLURRY OF NATIONAL AIR SERVICE SUSPENSIONS [redacted]INITIATED BY EGYPT), THE LURE OF LUCRATIVE ROUTES WON [redacted]T, AND SERVICE HAS BEEN RESTORED EXCEPT TO BAGHDAD AND [redacted]AMASCUS. THE PROPOSAL FOR A BOYCOTT OF THE SUEZ CANAL [redacted]ND THE SUMED PIPELINE WAS DEBATED DURING A MEETING OF [redacted]RAB OIL EXPORTERS (AOPEC) AND STALLED BY THE MODERATES [redacted]R THE MOMENT AT LEAST.

9. AMONG OTHER DEVELOPMENTS:

(A) EGYPT'S MEMBERSHIP IN OAPEC WAS SUSPENDED, ALONG WITH ITS "RIGHT" TO PARTICIPATE IN ASSOCIATED ORGANIZATIONS.

(B) THE FUTURE OF THE ARAB ORGANIZATION FOR INDUSTRY (AOI) REMAINS UNCERTAIN. AOI'S DIRECTORS ARE TORN BETWEEN HARDLINE PRESSURES AND DISTASTE FOR ABANDONING THE LARGE ARAB INVESTMENT IN PHYSICAL FACILITIES IN EGYPT.

(PARAGRAPHS 1Ø-19 UNCLASSIFIED)

1Ø. RECENT SURVEYS INDICATE THAT A CLEAR MAJORITY OF THE US PUBLIC, WHILE SUPPORTING THE EGYPTIAN-ISRAELI PEACE AGREEMENT IS PESSIMISTIC ABOUT LONG TERM PEACE IN THE MIDDLE EAST AND IS OPPOSED TO FURTHER AMERICAN COMMITMENTS TO SUPPLY ECONOMIC AND MILITARY AID AND OIL TO EGYPT AND ISRAEL.

11. SURVEYS BY CBS, HARRIS AND NBC CONDUCTED IN LATE MARCH FOUND CLEAR-CUT OPPOSITION TO A SUBSTANTIAL INCREASE IN MILITARY AND ECONOMIC AID TO ISRAEL AND EGYPT.

12. CBS' POLL FOUND THAT OPPOSITION TO INCREASED US AID CAME MAINLY FROM THOSE WHO EXPECTED FURTHER CONFLICT BETWEEN ISRAEL AND EGYPT. A MAJORITY OF THE PUBLIC WAS PESSIMISTIC ABOUT THE CHANCES FOR LASTING PEACE BETWEEN ISRAEL AND EGYPT (6Ø PERCENT). AMONG THIS GROUP, AN OVERWHELMING MAJORITY OPPOSED THE INCREASE IN US AID (83 PERCENT). AMONG THOSE OPTIMISTIC ABOUT ISRAELI-EGYPTIAN PEACE PROSPECTS, THE DISAPPROVAL OF INCREASED AID WAS 3Ø PERCENTAGE POINTS LOWER (53 PERCENT).

13. HARRIS ASKED HIS RESPONDENTS WHETHER THEY APPROVED OR DISAPPROVED OF EACH OF 12 DIFFERENT PROVISIONS IN THE ISRAELI-EGYPTIAN PEACE AGREEMENT. CLEAR MAJORITIES APPROVED 11 OF THE PROVISIONS, INCLUDING ISRAELI WITHDRAWAL FROM THE SINAI AND ISRAEL-EGYPT NEGOTIATIONS TO PLAN PALESTINIAN SELF-RULE ON THE WEST BANK. BUT A LARGE MAJORITY (65 PERCENT) DISAPPROVED THE PROVISION GRANTING ISRAEL AND EGYPT SUBSTANTIAL NEW MILITARY AID.

14. MAJORITIES IN NEARLY EVERY POPULATION GROUP WERE OPPOSED. JEWISH RESPONDENTS WERE THE ONLY ONES WHO FAVORED MORE AID (BY 62 TO 26 PERCENT). MOST SUPPORTIVE OF INCREASED MILITARY AID WERE THE COLLEGE EDUCATED, PROFESSIONALS/EXECUTIVES, THOSE EARNING OVER DOLS 25,ØØØ ANNUALLY, ADULTS OVER 5Ø YEARS, EASTERNERS, DEMOCRATS, AND LIBERALS (ABOUT 3Ø PERCENT IN FAVOR VS. ABOUT 6Ø PERCENT OPPOSED). MOST OPPOSED TO INCREASED MILITARY AID WERE THE HIGH-SCHOOL EDUCATED, THOSE EARNING LESS THAN

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RUQMAT/AMEMBASSY ATHENS PRIORITY 2Ø67
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RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4411
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RUESRS/AMEMBASSY CARACAS PRIORITY 5993
RUQMOD/AMEMBASSY DOHA PRIORITY 9323
RUEHJM/AMCONSUL JERUSALEM PRIORITY Ø813
RUQMKW/AMEMBASSY KUWAIT PRIORITY 9657
RUDTC/AMEMBASSY LONDON PRIORITY 1917
RUEHMD/AMEMBASSY MADRID PRIORITY 8Ø63
RUQMAM/AMEMBASSY MANAMA PRIORITY 442Ø
RUEHME/AMEMBASSY MEXICO RPIORITY 1112
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4583
RUEHMO/AMEMBASSY MOSCOW PRIORITY Ø36Ø
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7767
RUQMQG/AMEMBASSY NICOSIA PRIORITY 64Ø9
RUEHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7518
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RUDKBT/AMEMBASSY RABAT PRIORITY 1431
RUQMHR/AMEMBASSY TEHRAN PRIORITY 21Ø8
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ALS 15,ØØØ,ADULTS BETWEEN 18-49, THOSE LIVING IN THE
ST AND MIDWEST, REPUBLICANS AND CONSERVATIVES (ABOUT
PERCENT IN FAVOR VS. ABOUT 65 PERCENT OPPOSED).

    OPPOSITION TO INCREASED AID TO ISRAEL AND EGYPT IS
ASED ON SEVERAL FACTORS, INCLUDING:  DEEP-SEATED AND
DESPREAD OPPOSITION TO "FOREIGN AID" IN GENERAL,
EXACERBATED BY INTENSE CONCERN WITH DOMESTIC INFLATION AND
GENERAL ANTIPATHY TO GOVERNMENT SPENDING PROGRAMS; A
NCERN THAT THE UNITED STATES IS ARMING FUTURE COMBATANTS
HO MAY BECOME INVOLVED IN THEIR INEVITABLE CLASH; AND AN
NTIPATHY TOWARD WHAT MAY BE PERCEIVED AS A "BRIBE" TO
HOLE THE TWO FORMER ANTAGONISTS NOT TO GO TO WAR WITH
CH OTHER.
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16. OPPOSITION TO THE AID WOULD DIMINISH IF THE PUBLIC SAW INCREASED EVIDENCE OF ISRAELI-EGYPTIAN COOPERATION. MILITARY AID TO ISRAEL AND EGYPT HAS THUS FAR BEEN VIEWED MAINLY IN TERMS OF HOW THE TWO ADVERSARIES MIGHT USE THE WEAPONS AGAINST ONE ANOTHER RATHER THAN IN TERMS OF HOW WE MIGHT USE THE AID COLLECTIVELY TO ENHANCE US NATIONAL INTERESTS. A HARRIS POLL CONDUCTED IN LATE 1976 ASKED, "WITH THE RUSSIANS ARMING EGYPT AND SYRIA, DO YOU THINK THE US IS RIGHT OR WRONG TO SEND ISRAEL THE MILITARY SUPPLIES IT NEEDS?" 59 PERCENT OF THE RESPONDENTS REPLIED THE US WAS RIGHT, 19 PERCENT SAID IT WAS WRONG.

17. THE AMERICAN PUBLIC OPPOSED, 6Ø PERCENT TO 32 PERCENT, SELLING US OIL TO ISRAEL TO MAKE UP ANY FUTURE ISRAELI OIL SHORTFALL.

18. A CBS POLL CONDUCTED IN LATE MARCH SHOWED OPPOSITION TO US OIL SALES CAME MAINLY FROM THOSE WHO SAID IN RESPONSE TO OTHER QUESTIONS THAT THE IDEA OF A WORLDWIDE OIL SHORTAGE WAS CONTRIVED IN THE FIRST PLACE (69 PERCENT OF THE SAMPLE), AND FROM THOSE WHO EXPECTED FURTHER CONFLICT BETWEEN ISRAEL AND ARAB STATES (68 PERCENT OF THE SAMPLE). THOSE WHO BELIEVED THERE WAS A "REAL" SHORTAGE OF OIL IN THE WORLD AND THOSE WHO WERE OPTIMISTIC ABOUT THE CHANCES FOR LONG-TERM PEACE IN THE MIDDLE EAST WERE CLOSELY DIVIDED ON SELLING US OIL TO ISRAEL.

19. COLLEGE GRADUATES WERE MUCH LESS OPPOSED TO SELLING OIL TO ISRAEL THAN WERE THOSE NOT HAVING A COLLEGE EDUCATION (48 PERCENT DISAPPROVED VS. 49 PERCENT APPROVED AMONG COLLEGE GRADUATES; 62 PERCENT VS. 3Ø PERCENT AMONG THOSE WITH NO COLLEGE EDUCATION). BUT THERE WERE HARDLY ANY DIFFERENCES OF OPINION ON THIS ISSUE BETWEEN DEMOCRATS AND REPUBLICANS OR BETWEEN LIBERALS AND CONSERVATIVES.

2Ø. (C) ISRAEL: THE ISRAELI PRESS REPORTS THAT ABOUT 5Ø WOMEN AND CHILDREN FROM THE ISRAELI SETTLEMENT OF KIRYAT ARBA HAVE BEEN OCCUPYING A BUILDING IN THE CENTER OF HEBRON ON THE WEST BANK SINCE APRIL 26 TO PROTEST AN ISRAELI GOVERNMENT DECISION NOT TO DEVELOP A NEW RESIDENTIAL QUARTER OVERLOOKING HEBRON. THE BUILDING, NOW CONTROLLED BY UNRWA, HAS OFTEN BEEN A RALLYING POINT FOR ISRAELIS WANTING TO RE-ESTABLISH A JEWISH PRESENCE IN HEBRON. RABBI LEVINGER, A GUSH EMUNIST MILITANT FROM KIRYAT ARBA, HAS REPORTEDLY RENEWED THIS DEMAND. THE IDF HAS SEALED OFF THE AREA TO PREVENT THE ARRIVAL OF

ADDITIONAL PROTESTERS, BUT HAS MADE NO MOVE TO EVICT THE SETTLERS. MINISTER SHARON AND MK MOSHE SHAMIR VISITED THE SITE TO EXPRESS SUPPORT FOR THE DEMONSTRATION APRIL 29.

21. (U) PALESTINIANS: ACCORDING TO AN AP REPORT MAYOR MILHIM OF THE WEST BANK TOWN OF HALHUL, WHO IS CURRENTLY IN THE US, HAS STATED THAT PALESTINIANS WOULD NOT JOIN THE UPCOMI'G TALKS ON AUTONOMY UNLESS ISRAEL
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RUQMOD/AMEMBASSY DOHA PRIORITY 9324
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RUQMKW/AMEMBASSY KUWAIT PRIORITY 6958
RUDTC/AMEMBASSY LONDON PRIORITY 1918
RUFHMD/AMEMBASSY MADRID PRIORITY 8Ø64
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RUQMQG/AMEMBASSY NICOSIA PRIORITY 641Ø
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7519
RUFNPS/AMEMBASSY PARIS PRIORITY 1931
RUDKBT/AMEMBASSY RABAT PRIORITY 1432
RUQMHR/AMEMBASSY TEHRAN PRIORITY 21Ø9
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RUQMTI/AMEMBASSY TRIPOLI PRIORITY 859Ø
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FIRST AGREED TO THE RIGHT OF THE PALESTINIANS TO STATEHOOD. HE REITERATED COMPLAINTS THAT AUTONOMY IS MEANINGLESS SINCE ISRAEL INTENDS TO MAINTAIN THE "RIGHT" TO CONTROL LAND, WATER AND MAJOR UTILITIES. HE SAID PALESTINIANS WANT "AN IDENTITY, A PASSPORT, A STATE AND A HOMELAND WHERE THEY FEEL SECURE." HE SAID PALESTINIANS WOULD RESPECT ISRAEL'S SOVEREIGNTY AS SOON AS ISRAEL RESPECTED THE PALESTINIANS' RIGHT TO NATIONALITY. HE LEFT OPEN THE POSSIBILITY THAT ANY PALESTINIAN STATE WOULD BE LINKED WITH JORDAN, SAYING THAT THE WEST BANK WITHOUT THE EAST BANK IS LIKE A BODY WITHOUT LUNGS.

22. (U) EGYPT-ARABS: IN PERHAPS HIS MOST VITRIOLIC ATTACK ON HIS ARAB CRITICS SINCE THE SIGNING OF THE TREATY, PRESIDENT SADAT SPEAKING AT A MAY DAY RALLY IN THE PROVINCES:

(A) SAID HE WAS PREVIOUSLY READY TO HELP THE SYRIANS NEGOTIATE FOR THE GOLAN BUT NO MORE. "LET THE DIRTY ALAWITES SPEAK FOR IT.....I COULD HAVE BROUGHT THEM THE GOLAN BUT I AM NOT RESPONSIBLE FOR IT WHILE THE ALAWITES ARE IN POWER;"

(B) ASSERTED THAT, "I AM RESPONSIBLE FOR PLACING THE PALESTINIANS ON A SOUND COURSE..." BECAUSE THE PLO CANNOT CLAIM TO OWN THE WEST BANK AND THE GAZA STRIP WHEN EACH OF ITS CONSTITUENT ORGANIZATIONS ACCUSES THE OTHER OF TREASON;

(C) ACCUSED THE SAUDIS OF PRESSURING OTHER ARAB MODERATES INTO BREAKING RELATIONS WITH EGYPT;

(D) CHARACTERIZED HUSSEIN'S,GRANDFATHER,KING ABDALLAH, AS A TRAITOR TO THE ARAB CAUSE; AND

(E) VOWED TO NORMALIZE RELATIONS WITH THE ISRAELIS AFTER THE FIRST STAGE OF WITHDRAWAL DESPITE OPPOSITION FROM THE OTHER ARAB STATES, SAYING, "THERE IS NO GOING BACK."

23. (LOU) EGYPT-RELIGIOUS RIGHT: A NEW RELIGIOUS MONTHLY WAS PUBLISHED IN EGYPT ON APRIL 27 BY A QUASI-GOVERNMENTAL ORGANIZATION RESPONSIBLE FOR COORDINATING THE AFFAIRS OF THE NUMEROUS EGYPTIAN SUFI CONGREGATIONS. PRESIDENT SADAT WROTE A FOUR PAGE ARTICLE IN IT CALLING FOR THE PROPAGATION OF THE TRUE SUFI HERITAGE. THE NEW PUBLICATION UNDOUBTEDLY IS INTENDED TO APPEAL TO MUCH THE SAME AUDIENCE AS THE PRO-MUSLIM BROTHERHOOD PUBLICATIONS AL-DAWA AND AL-ITISAM, WHICH HAVE INCREASED THEIR CRITICISM OF THE GOVERNMENT SINCE CAMP DAVID AND WHICH MAY HAVE RECENTLY BEEN BANNED. IT IS NOT YET CLEAR THAT THIS IS A GOVERNMENT-SPONSORED EFFORT TO COMBAT EXTREME ISLAMIC FUNDAMENTALISM SINCE SEVERAL OTHER GOVERNMENT RELIGIOUS JOURNALS ALREADY EXIST.
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RUESRS/AMEMBASSY CARACAS PRIORITY 6ØØ5
RUQMOD/AMEMBASSY DOHA PRIORITY 9332
RUEHJM/AMCONSUL JERUSALEM PRIORITY Ø82Ø
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RUDTC/AMEMBASSY LONDON PRIORITY 1971
RUFHMD/AMEMBASSY MADRID PRIORITY 8Ø8Ø
RUQMAM/AMEMBASSY MANAMA PRIORITY 4433
RUEHME/AMEMBASSY MEXICO CITY PRIORITY 1142
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4593
RUEHMO/AMEMBASSY MOSCOW PRIORITY Ø418
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E.O. 12Ø65: GDS 5/3/85 (WOLLE, WILLIAM D.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 8Ø3 - MAY 3, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

(PARAGRAPHS 1-7 CONFIDENTIAL)

1. DESPITE EGYPT'S DIPLOMATIC CAMPAIGN TO HEAD OFF ITS SUSPENSION OR EXPULSION FROM THE ISLAMIC CONFERENCE IN EEZ (MAY 6-12), CAIRO'S PROSPECTS DO NOT LOOK GOOD. ALMOST HALF OF THE CONFERENCE'S 41 MEMBERS ARE ARAB STATES WHICH SIGNED THE BAGHDAD RESOLUTION ADVOCATING THE SUSPENSION OF EGYPT'S MEMBERSHIP IN THE ISLAMIC CONFERENCE, THE OAU AND THE NON-ALIGNED MOVEMANT AND WHICH HAVE BROKEN RELATIONS WITH EGYPT.

2. THREE NON-ARAB STATES (IRAN, AFGHANISTAN, AND THE COMORROS) ARE LIKELY TO AGREE WITH THEIR ARAB COLLEAGUES. MOST OF THE OTHER NON-ARAB MEMBERS WANT TO AVOID INVOLVEMENT IN THE DISPUTE BETWEEN EGYPT AND THE HARDLINERS, BUT MANY WILL FOLLOW THE ARAB CONSENSUS.

3. EGYPT, FOR ITS PART, HAS REFUSED TO PLEAD ITS CASE WITH THE VARIOUS ARAB GOVERNMENTS WHICH HAVE SEVERED DIPLOMATIC TIES, INCLUDING SAUDI ARABIA. THE SAUDIS, HOWEVER, STILL HOLD THE KEY TO EFFORTS TO PREVENT EGYPT'S SUSPENSION. BUT SADAT'S VITRIOLIC PUBLIC ATTACK ON MAY 1 ON SAUDI POLICIES AND LEADERS WILL SOLIDIFY THE SAUDI DECISION TO VOTE AGAINST EGYPT ON THE ISSUE.

4. THE SAUDI POSITION IS NOT ENCOURAGING. EMBASSY JIDDA REPORTS THAT, WHILE THE SAUDIS WILL NOT PROPOSE THE SUSPENSION OF EGYPT, THEY WILL SUPPORT A RESOLUTION TO THIS EFFECT BECAUSE OF THEIR COMMITMENT TO THE BAGHDAD DECISIONS. SAUDI OFFICIALS SAY THERE IS LITTLE THEY CAN DO TO STOP THE MOMENTUM OF THE SYRIAN-IRAQI INITIATIVE.

5. THE EGYPTIANS, ACCORDING TO BOUTROS GHALI BELIEVE THAT THE SAUDIS ARE ACTIVELY WORKING AGAINST THEM. HE SAID THAT SADAT'S MAY 1 SPEECH WAS BASED ON INFORMATION THE EGYPTIANS RECEIVED FROM THE GULF STATES, SOMALIA, DJIBOUTI, AND TUNISIA INDICATING THAT THE SAUDIS HAD INSTICATED THE BREAKING OF RELATIONS WITH CAIRO AND HAD TAKEN THE INITIATIVE IN PRESSING FOR EGYPT'S SUSPENSION FROM THE ARAB LEAGUE AND ITS VARIOUS BODIES.

6. THE SAUDI ATTITUDE TOWARD EGYPT'S SUSPENSION WILL INFLUENCE OTHER ARAB MODERATES, AS WELL AS THE POSITIONS OF SUCH NON-ARAB STATES AS MALAYSIA, INDONESIA, AND PAKISTAN, MOST OF WHICH WOULD PREFER TO LET THE ARABS HANDLE THIS HOT ISSUE THEMSELVES. IN THE ABSENCE OF SAUDI ACTIVITY ON EGYPT'S BEHALF MODERATE STATES WILL DO LITTLE TO PREVENT EGYPT'S SUSPENSION; INSTEAD THEY WILL TRY TO PROTECT THEIR OWN RELATIONS WITH THE ARAB MAJORITY.

7. EGYPT'S SUSPENSION FROM THE ISLAMIC CONFERENCE WILL NOT NECESSARILY SET A PRECEDENT FOR SIMILAR ACTION BY THE OAU AND NON-ALIGNED MOVEMENT. THE LATTER TWO GROUPS HAVE A MEMBERSHIP, INTERNAL DYNAMICS, AND A LEADERSHIP DIFFERENI FROM THAT OF THE ISLAMIC CONFERENCE WHICH WILL MAKE THE TASK OF THE HARDLINERS MUCH MORE DIFFICULT.

8. (U) ISRAEL: IN AN INDEPENDENCE DAY INTERVIEW MAY 2, BEGIN SAID ISRAEL WOULD NEVER WITHDRAW FROM THE GOLAN, EVEN UNDER A PEACE TREATY WITH SYRIA. "THERE IS NO SUCH
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TO RUQMZN/USMISSION SINAI PRIORITY 9Ø14
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RUQMGU/AMEMBASSY ANKARA PRIORITY 9ØØ8
RUQMAT/AMEMBASSY ATHENS PRIORITY 21Ø8
RUEHAD/USINT BAGHDAD PRIORITY Ø9Ø8
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7613
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4429
RUEHEG/AMEMBASSY CAIRO PRIORITY 8984
RUESRS/AMEMBASSY CARACAS PRIORITY 6ØØ6
RUQMOD/AMEMBASSY DOHA PRIORITY 9333
RUEHJM/AMCONSUL JERUSALEM PRIORITY Ø821
RUQMKW/AMEMBASSY KUWAIT PRIORITY 6969
RUDTC/AMEMBASSY LONDON PRIORITY 1972
RUFHMD/AMEMBASSY MADRID PRIORITY 8Ø81
RUQMAM/AMEMBASSY MANAMA PRIORITY 4434
RUEHMC/AMEMBASSY MEXICO CITY PRIORITY 1143
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4594
RUEHMO/AMEMBASSY MOSCOW PRIORITY Ø419
RUQMMT/AMEMBASSY MUSCAT PRIORITY 778Ø
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6425
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7534
RUFNPS/AMEMBASSY PARIS PRIORITY 199Ø
RUDKBT/AMEMBASSY RABAT PRIORITY 1453
RUQMHR/AMEMBASSY TEHRAN PRIORITY 2133
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 2978
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8599
RUDKKR/AMEMBASSY TUNIS PRIORITY 293Ø
RUQMNS/AMEMBASSY SANA PRIORITY 3559
RUEHDT/USMISSION USUN NEW YORK PRIORITY Ø112
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2Ø75
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4 MAY 79

C O N F I D E N T I A L SECTION Ø2 OF Ø3 STATE 112279/Ø2

THING AS GIVING UP SECURITY IN RETURN FOR PEACE," HE SAID. HE ALSO STRESSED ISRAEL'S REFUSAL TO WITHDRAW FROM THE WEST BANK SAYING "THERE WILL NEVER AGAIN BE A BORDER IN THE WESTERN PART OF THE LAND OF ISRAEL." HE SAID THE AUTONOMY PLAN WOULD AFFORD WEST BANK AND GAZA RESIDENTS FULL ADMINISTRATIVE AUTONOMY WHILE GIVING JEWS SECURITY AND THE RIGHT TO SETTLE ANYWHERE IN THE WEST BANK. "THE AGREEMENT REFERS TO ADMINISTRATIVE SELF RULE, NOT LEGAL SELF RULE," HE SAID. HE ALSO SAID THAT ISRAEL WOULD NEVER NEGOTIATE WITH THE PLO.

9. (LOU) OUR CONSULATE GENERAL IN JERUSALEM REPORTED ON MAY 2 THAT ARMED ISRAELI CIVILIANS WERE DRIVING AROUND BIR ZEIT UNIVERSITY IN SIX OR SEVEN CARS SHOOTING INDISCRIMINATELY. ONE STUDENT REPORTEDLY WAS SHOT AND HOSPITALIZED. ELSEWHERE ON THE WEST BANK, SEVERAL ISRAELI FAMILIES TRIED TO ESTABLISH A SETTLEMENT IN WESTERN GALILEE AND CLASHED WITH ARAB VILLAGERS, ACCORDING TO JERUSALEM RADIO. POLICE REMOVED THE SETTLERS AND THEIR EQUIPMENT.

1Ø. (U) THE ISRAELI GOVERNMENT HAS RELEASED STATISTICS SHOWING A TOTAL POPULATION OF 3.76 MILLION. OF THIS FIGURE, ABOUT 84 PERCENT ARE JEWS AND THE REST NON-JEWS. SINCE 1984, THE JEWISH POPULATION HAS INCREASED BY 49Ø PERCENT, MAINLY THROUGH IMMIGRATION. THE NON-JEWISH POPULATION HAS INCREASED BY 384 PERCENT MAINLY THROUGH NATURAL INCREASES IN POPULATION.

11. (U) ON MAY 3, BEGIN AGAIN CRITICIZED THE US FOR GRANTING A VISA TO THE PLO'S SHAFIQ AL-HUT, SAYING THAT ,IF ONE DAY THE AMERICANS OPEN NEGOTIATIONS WITH THAT ORGANIZATION OF MURDERS, IT WILL BE A BLACK DAY FOR FREE MANKIND." HE ANNOUNCED THAT HIS PROTEST NOTE TO THE STATE DEPARTMENT DEMANDED PRIOR CONSULTATION WITH ISRAEL BEFORE US CONTACTS WITH THE PLO OFFICIALS.

12. (LOU) SANCTIONS: EMBASSY JIDDA REPORTS THAT SPECULATION CONTINUES THAT AN OAPEC MINISTERIAL CONFERENCE TO BE HELD IN KUWAIT SOON WILL RECOMMEND A BOYCOTT OF THE SUMED PIPELINE. OIL MINISTER YAMANI IS QUOTED IN THE PRESS AS SAYING NO DECISION HAS BEEN TAKEN AS YET. AS WE PREVIOUSLY NOTED, THE PIPELINE IS 5Ø PERCENT OWNED BY SAUDI ARABIA AND SEVERAL GULF STATES, WHICH MAY RESTRAIN THEM. HOWEVER, AMERICAN BANKING OFFICIALS IN CAIRO HAVE ALSO INFORMED OUR EMBASSY THERE THAT THEY HAVE REPORTS FROM THEIR COLLEAGUES IN JIDDA THAT A BOYCOTT OF THE SUMED PIPELINE MAY ENJOY SAUDI BACKING.

13. (C) AID TO EGYPT: QATAR'S MINISTER OF INFORMATION TOLD AMBASSADOR KILLGORE RECENTLY THAT ALL QATARI AID TO EGYPT HAS CEASED. THIS WAS TO BE EXPECTED BECAUSE OF QATAR'S AGREEMENT TO THE BAGHDAD RESOLUTIONS.HOWEVER, IT DEMONSTRATES THE DEPTH OF FEELING AMONG MODERATES SINCE THE AMIR OF QATAR HAS LONG BEEN A SUPPORTER OF EGYPT AND

SADAT AND HAS BEEN A SOURCE OF STEADY FINANCIAL ASSISTANCE.

14. (C) COMMENTING ON RECENT CABLES FROM US EMBASSIES IN CAIRO AND KUWAIT ON JAPANESE-EGYPTIAN RELATIONS, THE US EMBASSY IN TOKYO HAS REPORTED THAT THE RANKING FOREIGN MINISTRY OFFICIAL ON THE MIDDLE EASTERN DESK HAS PRIVATELY EXPRESSED CONFIDENCE THAT SOME MODEST, ADDITIONAL AID TO EGYPT WOULD BE PROVIDED BY HIS GOVERNMENT "IN DUE COURSE." THE JAPANESE DO NOT WANT TO DAMAGE RELATIONS WITH ARAB STATES WHO PRODUCE MUCH OF THEIR OIL, AND HOPE TO AVOID GIVING THE IMPRESSION THAT ADDITIONAL AID FOR EGYPT HAS RESULTED FROM US PRESSURE OR IS CLEARLY A PART OF A US INITIATIVE OR PROGRAM; THOSE WERE FACTORS IN REQUESTING
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ᴿUEHAD/USINT BAGHDAD PRIORITY Ø9Ø9
ᴿUESUZ/AMEMBASSY BRASILIA PRIORITY 7614
ᴿUESBA/AMEMBASSY BUENOS AIRES PRIORITY 443Ø
ᴿUEHEĜ/AMEMBASSY CAIRO PRIORITY 8985
ᴿUESRS/AMEMBASSY CARACAS PRIORITY 6ØØ7
ᴿUQMOD/AMEMBASSY DOHA PRIORITY 9334
ᴿUEHJM/AMCONSUL JERUSALEM PRIORITY Ø822
ᴿUQMKW/AMEMBASSY KUWAIT PRIORITY 697Ø
ᴿUDTC/AMEMBASSY LONDON PRIORITY 1973
ᴿUFHMD/AMEMBASSY MADRID PRIORITY 8Ø82
ᴿUQMAM/AMEMBASSY MANAMA PRIORITY 4435
ᴿUEHME/AMEMBASSY MEXICO CITY PRIORITY 1144
ᴿUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4595
ᴿUEHMO/AMEMBASSY MOSCOW PRIORITY Ø42Ø
ᴿUQMMT/AMEMBASSY MUSCAT PRIORITY 7781
ᴿUQMQG/AMEMBASSY NICOSIA PRIORITY 6426
ᴿUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7535
ᴿUFNPS/AMEMBASSY PARIS PRIORITY 1991
ᴿUDKBT/AMEMBASSY RABAT PRIORITY 1454
ᴿUQMHR/AMEMBASSY TEHRAN PRIORITY 2134
ᴿUEHTV/AMEMBASSY TEL AVIV PRIORITY 2979
ᴿUQMTI/AMEMBASSY TRIPOLI PRIORITY 86ØØ
ᴿUDKKR/AMEMBASSY TUNIS PRIORITY 2931
ᴿUQMNS/AMEMBASSY SANA PRIORITY 356Ø
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ᶜ O N F I D E N T I A L FINAL SECTION OF Ø3 STATE 112279/Ø3

ᴬ DELAY IN PRESIDENT SADAT'S PLANNED VISIT TO JAPAN IN
JULY.  THE EMBASSY NOTED THAT JAPAN FULLY SUPPORTS THE
ᴱGYPTIAN-ISRAELI PEACE TREATY AND WILL SUBSCRIBE TO
ᴾOSITIVE COMMENTS IN THAT REGARD IN THE COMMUNIQUE
ᴹARKING PRIME MINISTER OHIRA'S TALKS WITH PRESIDENT
ᶜARTER.
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15. (U) IRAQ-SUBSIDIES: THE BAGHDAD PRESS REPORTS THAT IRAQ WILL PAY THE SECOND INSTALLMENT OF ITS BAGHDAD SUMMIT OBLIGATIONS TOTALLING $174 MILLION MAY 1 TO JORDAN, SYRIA AND THE PLO. ITS FIRST INSTALLMENT WAS $168.3 MILLION.

16. (U) LEBANON-SITUATION REPORT: EMBASSY BEIRUT REPORTS AN OUTBREAK OF MACHINE GUN, TANK AND ROCKET FIRE IN THE LEBANESE CAPITAL MAY 2. THIS WAS AN ESCALATION FROM THE SMALL ARMS FIRE REPORTED EARLIER. THE LEBANESE PRESS HAS CARRIED THE STATEMENT OF THE RIGHTIST MILITIAS REJECTING ANY POTENTIAL LEBANESE GOVERNMENT SECURITY PACT WITH SYRIA. THE RIGHTISTS PROFESS THAT THE SYRIANS ARE SEEKING SUCH A PACT TO "LEGITIMIZE" THEIR ROLE IN LEBANON NOW THAT THE ARAB DEFENCE FORCE IS A SOLELY SYRIAN OPERATION.

17. (U) HADDAD-UNIFIL: A UN SPOKESMAN IN JERUSALEM ISSUED A STATEMENT MAY 2 DENYING STORIES IN THE ISRAELI PRESS THAT IRISH UNIFIL SOLDIERS WERE SELLING WEAPONS TO PALESTINIANS. THE UN CHARGED THAT THESE STORIES WERE PART OF A DISINFORMATION CAMPAIGN DESIGNED TO DISCREDIT UNIFIL.
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5 May 79 03 25z

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RDR/AMEMBASSY BANJUL IMMEDIATE 9783
RDR/AMEMBASSY BISSAU IMMEDIATE 3088
RAK/AMEMBASSY CONAKRY IMMEDIATE 1178
JDK/AMEMBASSY DACCA IMMEDIATE 8888
RDR/AMEMBASSY DAKAR IMMEDIATE 1561
QD/AMEMBASSY ISLAMABAD IMMEDIATE 5167
OBT/AMEMBASSY JAKARTA IMMEDIATE 3152
KL/AMEMBASSY KUALA LUMPUR IMMEDIATE 8188
LC/AMEMBASSY LIBREVILLE IMMEDIATE 0720
LNJ/AMEMBASSY NDJAMENA IMMEDIATE 8212
RYC/AMEMBASSY NIAMEY IMMEDIATE 7035
OC/AMEMBASSY OUAGADOUGOU IMMEDIATE 0336
KBT/AMEMBASSY RABAT IMMEDIATE 1475
ADE/AMEMBASSY YAOUNDE IMMEDIATE 8376
RUQMBI/AMEMBASSY ABU DHABI 3843
RS/AMEMBASSY ALGIERS 0674
AM/AMEMBASSY AMMAN 8923
AD/USINT BAGHDAD 0916
BE/AMEMBASSY BEIRUT 7825
EG/AMEMBASSY CAIRO 9034
DM/AMEMBASSY DAMASCUS 4839
DJ/AMEMBASSY DJIBOUTI 2723
OD/AMEMBASSY DOHA 9343
GV/USMISSION GENEVA 6915
RA/AMEMBASSY JIDDA 9168
LK/AMEMBASSY KABUL 8398
KM/AMEMBASSY KHARTOUM 2791
KW/AMEMBASSY KUWAIT 6980
AM/AMBASSY MANAMA 4443
DI/AMEMBASSY MOGADISCIO 4596
MT/AMEMBASSY MUSCAT 7790
OK/AMEMBASSY NOUAKCHOTT 7544
PS/AMEMBASSY PARIS 2060
NS/AMEMBASSY SANA 3579
TV/AMEMBASSY TEL AVIV 3009
HR/AMEMBASSY TEHRAN 2154
II/AMEMBASSY TRIPOLI 8606
KR/AMEMBASSY TUNIS 2962
HDT/USMISSION USUN NEW YORK 0155

N F I D E N T I A L STATE 113943

12065 GDS 5/4/85 (HELMAN, GERALD B.)

PORG

SUBJECT: TENTH ISLAMIC FOREIGN MINISTERS CONFERENCE: ADDITIONAL TALKING POINTS ON EGYPTIAN EXPULSION QUESTION

REF: (A) STATE 109281
(B) STATE 99241

1. (C - ENTIRE TEXT).

2. ACTION ADDRESSEES MAY WISH TO MAKE FOLLOWING ADDITIONAL POINTS TO HOST GOVERNMENTS CONCERNING MAY 4-12 ISLAMIC CONFERENCE. ALTHOUGH SOME DELEGATES MAY ALREADY HAVE LEFT CAPITALS TO PARTICIPATE IN PREPARATORY PHASES OF MEETING, FOREIGN MINISTERS APPARENTLY ARE NOT SCHEDULED TO CONVENE IN FEZ UNTIL MAY 8 AND MAY BE AVAILABLE IN CAPITALS. IN ADDITION TO PROVIDING ADDITIONAL ARGUMENTS FOR NON-ARAB MODERATES, WE SEE THIS FURTHER REPRESENTATION AS A WAY OF UNDERLINING USG CONCERN ABOUT THE REPERCUSSIONS OF EGYPTIAN EXPULSION.

3. TALKING POINTS:

-- EGYPT'S RIGHT TO SIGN A TREATY WITH ISRAEL HAS BEEN RECOGNIZED AT NON-ALIGNED MEETINGS IN NEW YORK.

THE ARABS, THUS, ARE SEEKING TO PUNISH EGYPT FOR AN ACT OF STATE WHICH IS ENTIRELY WITHIN EGYPT'S SOVEREIGN PREROGATIVE AND UNIVERSALLY RECOGNIZED AS SUCH.

-- IN OUR DISCUSSIONS IT HAS BEEN BROUGHT TO OUR ATTENTION THAT ONLY CONDITION FOR MEMBERSHIP IN ISLAMIC CONFERENCE IS THAT STATE BE ISLAMIC.

-- EXPULSION OF EGYPT WOULD BE CONTRARY TO THE FUNDAMENTAL PURPOSE OF THE ISLAMIC CONFERENCE. IT WOULD, THUS, UNDERMINE ITS UNIVERSAL CHARACTER AND EFFECTIVENESS.

4. PLEASE REPORT ANY SUBSTANTIVE HOST GOVERNMENT COMMENTS, INFO RABAT. CHRISTOPHER
BT
#3943

Incoming

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TO RUQMZN/USMISSION SINAI PRIORITY 9023
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RUQMGU/AMEMBASSY ANKARA PRIORITY 9032
RUQMAT/AMEMBASSY ATHENS PRIORITY 2132
RUEHAD/USINT BAGHDAD PRIORITY 0920
RUFSUZ/AMEMBASSY BRASILIA PRIORITY 7637
RUFSBA/AMEMBASSY BUENOS AIRES PRIORITY 4444
RUFHEG/AMEMBASSY CAIRO PRIORITY 9044
RUFSRS/AMEMBASSY CARACAS PRIORITY 6027
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RUFHJM/AMCONSUL JERUSALEM PRIORITY 0839
RUQMKW/AMEMBASSY KUWAIT PRIORITY 6985
RUDIC/AMEMBASSY LONDON PRIORITY 2030
RUFHMD/AMEMBASSY MADRID PRIORITY 8105
RUQMAM/AMEMBASSY MANAMA PRIORITY 4451
RUEHME/AMEMBASSY MEXICO PRIORITY 1172
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4606
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0487
RUQMMT/AMEMBASSY MUSCAT PRIORITY 7792
RUQMGG/AMEMBASSY NICOSIA PRIORITY 6432
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7546
RUFNPS/AMEMBASSY PARIS PRIORITY 2078
RUDKBT/AMEMBASSY RABAT PRIORITY 1487
RUQMHR/AMEMBASSY TEHRAN PRIORITY 2160
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3016
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8610
RUDKKR/AMEMBASSY TUNIS PRIORITY 2970
RUQMNS/AMEMBASSY SANA PRIORITY 3587
RUEHDT/USMISSION USUN NEW YORK PRIORITY 0181
RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2082
BT
S E C R E T SECTION 01 OF 04 STATE 113828/01

E.O. 12065 GDS 5/4/85 (WOLLE, WILLIAM D.)

TAGS. EG, IS, PINR

SUBJECT: INTSUM 804 - MAY 4, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED
NOT RELEASABLE TO FOREIGN NATIONALS--NOT RELEASABLE TO
CONTRACTORS OR CONTRACTOR/CONSULTANTS

(PARAGRAPHS 1-8 CONFIDENTIAL)

, IRAQ AND SYRIA, WITH AN OCCASIONAL ASSIST FROM
1. IRAQ AND SYRIA, WITH AN OCCASIONAL ASSIST FROM SAUDI ARABIA, HAVE SPEARHEADED EFFORTS TO INSURE COMPLIANCE WITH THE BAGHDAD II DECISIONS AGAINST EGY,T. ALTHOUGH THE EGYPTIANS VIEW ECONOMIC SANCTIONS AS A MORE IMMEDIATE THREAT, THE ARAB HARDLINERS BELIEVE THAT IMMEDIATE THREAT, THE ARAB HARDLINERS BELIEVE THAT EGYPT'S POLITICAL ISOLATION WILL WEAKEN SADAT'S ABILITY TO NEGOTIATE WITH THE ISRAELIS AND STILL RETAIN THE SUPPORT OF HIS PEOPLE. TO THIS END, HIS OPPONENTS ARE CLOSELY MONITORING IMPLEMENTATION OF THE BAGHDAD SANCTIONS.

(A) SEVENTEEN ARAB STATES AND THE PLO HAVE BROKEN DIPLOMATIC RELATIONS WITH EGYPT.

(B) EGYPT HAS BEEN SUSPENDED FROM ALMOST ALL ARAB BODIES WHICH HAVE HELD MEETINGS SINCE BAGHDAD.

(C) TRANSFER OF ARAB LEAGUE HEADQUARTERS TO TUNIS IS PROCEEDING DESPITE EGYPTIAN OBSTRUCTIONISM.

(D) ARAB AMBASSADORS OFTEN SHUN THEIR EGYPTIAN COLLEAGUES.

(E) AS NOTED PREVIOUSLY, EGYPT WILL PROBABLY BE SUSPENDED FROM THE ISLAMIC CONFERENCE, AND THE HARDLINERS WILL TRY TO EXPLOIT THIS "SUCCESS" IN OTHER FORUMS.

(F) THE TRANSFER OF SOME UN OFFICES FROM EGYPT IS LIKELY TO OCCUR.

2. EVEN SUDAN, SOMALIA, AND OMAN WHICH DID NOT BREAK DIPLOMATIC RELATIONS WITH EGYPT, ARE NERVOUS. ALL THREE REGIMES SEE EGYPT AS IMPORTANT TO THEIR SECURITY, BUT, WITH THE POSSIBLE EXCEPTION OF OMAN, THEY HAVE NOT FULLY ENDORSED THE TREATY AND ARE ATTEMPTING TO MAINTAIN A NEUTRAL POSTURE.

(A) NUMEIRI HAS BEEN CRITICIZED BY SADIQ AL-MAHDI'S FOLLOWERS AND CAN ILL-AFFORD FURTHER EROSION OF HIS BASE OF SUPPORT.

(B) SIAD BARRE HOPES TO OBTAIN TANKS AND OTHER ARMS FROM EGYPT BUT FEARS A CUTOFF OF IRAQI AID.

(C) SULTAN QABUS MUST HOPE THAT IRAQI AND SYRIAN CONCERN WITH THE SPREAD OF RADICAL INFLUENCE FROM SOUTH YEMEN OUTWEIGHS THEIR DESIRE TO MOVE AGAINST HIM.

3. ON THE OTHER HAND, A NUMBER OF ARAB MODERATES HAVE MAINTAINED DISCREET CONTACTS WITH THE EGYPTIANS THROUGH INTERESTS SECTIONS AND CONSULATES IN CAIRO AND ELSEWHERE. THEY HOPE THAT THE SITUATION WILL CHANGE SUFFICIENTLY TO PERMIT A RECONCILIATION.
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RUFHRS/AMEMBASSY ALGIERS PRIORITY 0676
RUQMGU/AMEMBASSY ANKARA PRIORITY 9033
RUQMAT/AMEMBASSY ATHENS PRIORITY 2133
RUEHAD/USINT BAGHDAD PRIORITY 0921
RUESUZ/AMEMBASSY BRASILIA PRIORITY 7638
RUESBA/AMEMBASSY BUENOS AIRES PRIORITY 4445
RUEHEG/AMEMBASSY CAIRO PRIORITY 9045
RUESRS/AMEMBASSY CARACAS PRIORITY 6028
RUQMOD/AMEMBASSY DOHA PRIORITY 9348
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0840
RUQMKW/AMEMBASSY KUWAIT PRIORITY 6986
RUDTC/AMEMBASSY LONDON PRIORITY 2031
RUFHMD/AMEMBASSY MADRID PRIORITY 8106
RUQMAM/AMEMBASSY MANAMA PRIORITY 4452
RUEHME/AMEMBASSY MEXICO PRIORITY 1173
RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4607
RUEHMO/AMEMBASSY MOSCOW PRIORITY 0488
RUQMMI/AMEMBASSY MUSCAT PRIORITY 7793
RUQMQG/AMEMBASSY NICOSIA PRIORITY 6433
RUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7547
RUFNPS/AMEMBASSY PARIS PRIORITY 2079
RUDKBT/AMEMBASSY RABAT PRIORITY 1488
RUQMHR/AMEMBASSY TEHRAN PRIORITY 2161
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3017
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8611
RUDKKR/AMEMBASSY TUNIS PRIORITY 2971
RUQMNS/AMEMBASSY SANA PRIORITY 3588
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RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2083
BT
S E C R E T SECTION 02 OF 04 STATE 113828/02

4. EGYPTIAN OFFICIALS, FOR THEIR PART, HAVE BEEN BOTH SURPRISED AND ANGERED BY THE WILLINGNESS OF THEIR FORMER FRIENDS TO IMPOSE SANCTIONS ON EGYPT. SADAT, WHO INITIALLY HAD HELD HIS FIRE AT THE URGING OF HIS ADVISERS, LASHED OUT AT THE SAUDIS ON MAY 1 IN A MANNER LIKELY TO PUSH THE SAUDIS FURTHER INTO THE EMBRACE OF THE MILITANTS.

5. THE SAUDIS HAVE NOT REPLIED DIRECTLY TO SADAT'S CHARGES AND INSULTS, BUT THE SAUDI STATE RADIO, FOR EXAMPLE, CALLED HIM A "LIAR." THE SAUDIS ARE GENUINELY UNHAPPY WITH THE TREATY; THEIR OPPOSITION TO SOME OF THE DEMANDS OF THE MILITANTS AT BAGHDAD WAS BASED MORE ON TACTICAL DIFFERENCES THAN PRINCIPLE.

6. IN PROMOTING EGYPT'S ISOLATION IN THE ARAB WORLD, THE MILITANTS HOPE TO UNDERMINE SADAT'S POWER BASE. THEY RECOGNIZE THAT MANY EDUCATED EGYPTIANS IDENTIFY THEMSELVES AS ARABS AS WELL AS EGYPTIANS. THESE EGYPTIANS ARE UNCOMFORTABLE WITH EGYPT'S LOSS OF LEADERSHIP IN ARAB CIRCLES. THE ARAB MILITANTS ALSO WANT TO DEPRIVE SADAT OF THE PRESENCE IN EGYPT'S DELEGATION OF ANY CREDIBLE PALESTINIANS. THE HARDLINERS CALCULATE THAT IF SADAT FAILS TO REACH AGREEMENT ON AUTONOMY OR MAKES HUMILIATING CONCESSIONS TO THE ISRAELIS, THE EGYPTIAN PUBLIC, ALREADY SUFFERING ECONOMIC HARDSHIPS, WILL BECOME DISILLUSIONED WITH THE TREATY AND SADAT. SYRIAN FOREIGN MINISTER KHADDAM, FOR EXAMPLE, FREQUENTLY HAS SPOKEN OF HIS EXPECTATION THAT SADAT WILL SOON BE OVERTHROWN, DESPITE OVERWHELMING EVIDENCE THAT SADAT ENJOY'S WIDESPREAD SUPPORT IN EGYPT.

7. MEANWHILE, SADAT IS EXPLOITING TO THE FULLEST THE PRIDE EGYPTIANS TAKE IN THEIR HERITAGE AND PLAYING ON THEIR RESENTMENT OF THE EASILY ACQUIRED RICHES OF THE DESERT ARABS. THIS IS A POWERFUL THEME AMONG ORDINARY EGYPTIANS.

8. SADAT, HOWEVER, MUST GUARD AGAINST OVERPLAYING HIS HAND. AN OVERTLY HOSTILE MOVE AGAINST HIS ARAB CRITICS--EVEN THE HARDLINE REJECTIONISTS--COULD WEAKEN HIS DOMESTIC SUPPORT AND TARNISH HIS INTERNATIONAL IMAGE.

9. (C) EGYPT: A MEMBER OF THE NATIONAL DEMOCRATIC PARTY (NDP) EXECUTIVE, MANSOUR HASSAN, BELIEVES THAT HIS PARTY WILL WIN AS MANY AS 350 OF THE 382 SEATS BEING CONTESTED IN THE JUNE 7 ELECTION. MANSOUR TOLD EMBASSY CAIRO THAT HE HAD "HOPED" THE NDP WOULD WIN ONLY 300 SEATS (CREATING A CREDIBLE OPPOSITION) BUT THAT HE IS NOW CONVINCED SADAT'S PARTY WILL WIN AN OVERWHELMING MAJORITY. HE CLAIMED TO HAVE BEEN URGING THAT THE NDP RUN WEAK CANDIDATES AGAINST THE "LOYAL OPPOSITION" BUT IS NOT CERTAIN THIS WILL HAPPEN. MANSOUR DID SAY THAT THE NDP WILL MAKE A MAXIMUM EFFORT TO DEFEAT SADAT'S CRITICS. HE SPECIFICALLY IDENTIFIED THE "NATIONAL FRONT" AS THE MAJOR TARGET. HE DOES NOT EXPECT EITHER THE WAFD OR THE IKHWAN TO PLAY A SIGNIFICANT ROLE IN THE CAMPAIGN.

10. (S) PEACE TREATY: EMBASSY CAIRO REPORTS THAT OUR DEFENSE ATTACHE WAS TOLD BY SENIOR EGYPTIAN MILITARY OFFICIALS THAT WALDHEIM HAS INSTRUCTED UNEF TO REFRAIN FROM ANY ACTION THAT WOULD INVOLVE UNEF IN THE IMPLEMENTATION OF THE PEACE TREATY. THIS INSTRUCTION PROHIBITED THE UN FROM TAKING PART IN THE ADVANCE PARTY TO AL ARISH AND IN REDEPLOYMENT CONNECTED WITH ISRAELI WITHDRAWAL FROM AL ARISH. IT IS ALSO UNDERSTOOD TO RULE OUT UN PARTICIPATION IN JOINT COMMISSION MEETINGS. THE EGYPTIAN DEFENSE MINISTER HAS TENTATIVELY CONCLUDED THAT THE FIRST STAGES OF WITHDRAWAL CAN BE CARRIED OUT WITHOUT UNEF PARTICIPATION. EMBASSY CAIRO COMMENTS THAT THE UN

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AUEHMO/AMEMBASSY MOSCOW PRIORITY 0489
AUQMMT/AMEMBASSY MUSCAT PRIORITY 7794
AUQMQG/AMEMBASSY NICOSIA PRIORITY 6434
AUFHOK/AMEMBASSY NOUAKCHOTT PRIORITY 7548
AUFNPS/AMEMBASSY PARIS PRIORITY 2080
AUDKBT/AMEMBASSY RABAT PRIORITY 1489
AUQMHR/AMEMBASSY TEHRAN PRIORITY 2162
AUEHTV/AMEMBASSY TEL AVIV PRIORITY 3018
AUQMTI/AMEMBASSY TRIPOLI PRIORITY 8612
AUDKKR/AMEMBASSY TUNIS PRIORITY 2972
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AUEHDT/USMISSION USUN NEW YORK PRIORITY 0183
AUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2084
BT
S E C R E T SECTION 03 OF 04 STATE 113828/03

REFUSAL TO HELP IMPLEMENT THE PEACE TREATY MAY END UP
FOSTERING COOPERATION AND CONFIDENCE BETWEEN EGYPT AND
ISRAEL.

11. (U) ON MAY 3 BEGIN PRESENTED HIS AUTONOMY PLAN TO
THE MINISTERIAL COMMITTEE ON AUTONOMY. THE PLAN SAYS:
ADMINISTRATIVE AUTONOMY WILL BE GRANTED TO INHABITANTS
OF THE WEST BANK AND GAZA. THE MILITARY GOVERNMENT WILL
WITHDRAW FROM THESE AREAS BUT WILL NOT BE ABOLISHED.
ISRAEL, THROUGH THE MILITARY GOVERNMENT, WILL BE THE SOURCE
OF "SELF-ADMINISTRATION." ISRAEL WILL CONTINUE TO BE
RESPONSIBLE FOR SECURITY, WILL CONTINUE TO ESTABLISH
SETTLEMENTS AND WILL RETAIN CONTROL OF PUBLIC LANDS, WHICH
WILL BE USED FOR REFUGEES. THE COMMITTEE IS TO DISCUSS
THE PLAN ON MAY 7. IN AN INTERVIEW THIS WEEK, BEGIN SAID
THE GOVERNMENT WOULD DETERMINE ITS AUTONOMY PROPOSALS OVER
THE NEXT TWO WEEKS AND MAKE THEM PUBLIC BEFORE THE
AUTONOMY NEGOTIATIONS BEGIN.
AUTONOMY NEGOTIATIONS BEGIN.

12. (U) THE MIDDLE EAST NEWS AGENCY QUOTED EGYPTIAN FOREIGN MINISTRY SOURCES AS SAYING THAT THE AUTONOMY PLAN OUTLINED BY BEGIN ;VIOLATES AGREEMENTS REACHED AT CAMP DAVID." THE STATEMENT FURTHER SAID ,ALL DOCUMENTS SIGNED BY EGYPT AND THE US CALL FOR FULL AUTONOMY FOR THE PALESTINIANS, TERMINATION OF THE ISRAELI MILITARY RULE AND THE WITHDRAWAL OF THE ISRAELI TROOPS TO NEW SPECIFIC LOCATIONS." THE EGYPTIAN STATEMENT SAID BEGIN REMARKS WERE "MADE FOR LOCAL CONSUMPTION."

13. (C) ISRAEL: THE GUSH EMUNIM DEMONSTRATION MAY 2 WAS REPORTED TO BE THE LARGEST ISRAELI DE;ONSTRATION EVER HELD ON THE WEST BANK. WHILE ESTIMATES OF THE TURNOUT DIFFER GREATLY, EMBASSY TEL AVIV REPORTS THE GROUP WAS LARGER THAN THE GUSH LEADERS HAD EXPECTED. AN ISRAELI NEWSMAN ATTRIBUTED THIS TO THE PLEASANT WEATHER AS MUCH AS TO SUPPORT FOR THE GUSH. THE EMBASSY COMMENTS THAT THE SIZE OF THE TURNOUT INDICATES THAT THE GUSH IS NO LONGER A FRINGE GROUP THAT CAN BE LIGHTLY DISMISSED BUT IS A SERIOUS FORCE TO BE RECKONED WITH. JERUSALEM RADIO REPORTED THAT ABOUT 300 PEOPLE ORGANIZED A COUNTER DE;ONSTRATION TO THE GUSH EMUNIM EFFORT. A SPOKESMAN FOR THE GROUP SAID THEY WERE DISAPPOINTED THAT THE PEACE NOW MOVEMENT HAD NOT ACTED SIMILARLY.

14. (U) ACCORDING TO NEWS REPORTS, THE SOVIETS THIS YEAR WILL RAISE THE LEVEL OF THE DELEGATION TRADITIONALLY SENT TO ISRAEL TO COMMEMORATE THE ANNIVERSARY OF THE VICTORY OVER NAZI GERMANY. THERE IS SPECULATION--ALMOST CERTAINLY UNFOUNDED--THAT THIS DEVELOPMENT IS A PRELUDE TO THE RESTORATION OF DIPLOMATIC RELATIONS BETWEEN THE USSR AND ISRAEL. THE LEADER OF THE FOUR-MAN DELEGATION WILL BE ALEKSANDR BUBIN, VETERAN IZVESTIA CORRESPONDENT REPUTED TO BE CLOSE TO PRESIDENT BREZHNEV. TWO OF THE OTHER THREE DELEGATION MEMBERS ARE PROMINENT SOVIET JEWS

15. (U) WEST BANK: ISRAELI AUTHORITIES ON MAY 3 ORDERED BIR ZEIT UNIVERSITY CLOSED BECAUSE OF DEMONSTRATIONS, AP REPORTED. AN ARAB STUDENT WAS SHOT MAY 2, REPORTEDLY BY ISRAELI SETTLERS, AND THIS TRIGGERED PROTESTS AND A CALL FOR A GENERAL STRIKE.

16. (C) PLO-AUTONOMY: EMBASSY DAMASCUS REPORTS THAT PLO EXECUTIVE COMMITTEE SECRETARY NASHASHIBI, IN A CONVERSATION WITH AUSTRALIAD DIPLOMATS, SAID THAT THE PLO WOULD LOSE IF IT TRIED TO STAND IN THE WAY OF TRUE AUTONOMY AND SELF-DETERMIHATION IN THE U.S./EGYPTIAN MODEL. IF SUCH A MODEL PREVAILS OVER T:E BEGIN VIEW, NASHASHIBI WILL ARGUE THAT THE PLO TAKE A HANDS-OFF ATTITUDE, LET ITS SUPPORTERS PARTICIPATE IN ELECTIONS, AND AFTER TWO TO THREE YEARS PARTICIPATE IN A GENEVA-

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RUQMDI/AMEMBASSY MOGADISCIO PRIORITY 4609
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RUEHTV/AMEMBASSY TEL AVIV PRIORITY 3019
RUQMTI/AMEMBASSY TRIPOLI PRIORITY 8613
RUDKKR/AMEMBASSY TUNIS PRIORITY 2973
RUQMNS/AMEMBASSY SANA PRIORITY 3590
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RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2085
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S E C R E T FINAL SECTION OF 04 STATE 113828/04

TYPE EXPANSION OF THE CAMP DAVID FRAMEWORK. NASHASHIBI FELT THAT ARAFAT MIGHT REJECT SUCH A PASSIVE POLICY AND EITHER MAKE CONCESSIONS TO TAKE A DIRECT PART IN THE NEGOTIATIONS OR SEEK TO SABOTAGE THE U.S./EGYPTIAN EFFORT. HE ALSO SAID THAT CURRENT PLO TERRORISM IN ISRAEL IS A DISASTER AND COUNTER-PRODUCTIVE. THE PLO SHOULD INSTEAD BE ATTACKING ISRAEL'S WEST BANK SETTLEMENTS AND FOCUSING WORLD ATTENTION ON WHAT BEGIN IS DOING.

17. (S) LEBANON: USUN REPORTS THAT LEBANON HAS SENT A LETTER TO THE SECURITY COUNCIL PRESIDENT ASKING WHAT MEASURES HAVE BEEN TAKEN TO IMPLEMENT THE "PHASED PROGRAM OF ACTIVITIES" IN SOUTH LEBANON. THE PROGRAM REFERS TO THE SC PRESIDENT'S APRIL 26 STATEMENT ON UNIFIL AND SOUTH LEBANON. THE LETTER SUGGESTS THAT IF SUCH MEASURES HAVE NOT BEEN TAKEN, AN SC MEETING SHOULD BE HELD WITHOUT DELAY. ON MAY 3 LEØANESE FOREIGN MINISTER BOUTROS TOLD OUR CHARGE IN ØEIRUT THAT HE CANNOT SEE ANY OTHER WAY TO MOVE EXCEPT TO CALL FOR A UNSC DEBATE.

18. (U) THE SYRIAN FOREIGN MINISTER WAS IN BEIRUT ON MAY 3. THE PRESS SAID THE VISIT WAS IN PREPARATION FOR A SYRIAN-LEBANESE SUMMIT IN THE NEAR FUTURE, POSSIBLY WITHIN TWO WEEKS.

19. (S/NF/OC) THE INDEPENDENT NASIRITE MOVEMENT (MURABITUN) RECENTLY BEGAN TELEPHONING ITS FORMER FIGHTERS FROM THE 1975-1976 CIVIL WAR IN LEBANON. THEY WERE INSTRUCTED TO REPORT TO THE MOVEMENT'S OFFICES, WHERE THEY WERE ISSUED WEAPONS AND INSTRUCTED TO STAND BY. MEANWHILE, ACCORDING TO THE SOURCE, MEMBERS OF THE LEFTIST LEBANESE ARAB ARMY (LAA) BEGAN IN LATE APRIL TO CONTACT MUSLIM SOLDIERS OF THE REGULAR LEBANESE ARMY AND URGED THEM TO JOIN THE LAA.

20. (U) IN THE FIRST SERIOUS INCIDENT BETWEEN LEBANESE ARMED FORCES (LAF) AND CHRISTIAN RIGHTIST MILITIAS IN SEVERAL MONTHS, SEVEN LAF TROOPS WERE KIDNAPPED FROM A CHECKPOINT MAY 2 AND HELD FOR SEVERAL HOURS. SIX WERE THEN RELEASED. THE RIGHTISTS ALL CLAIMED THEIR ACTION WAS IN RETALIATION FOR THE LAF'S EARLIER DETENTION OF 47 PERSONS.

21. (U) SAUDI ARABIA-MOROCCO: MOROCCAN RADIO REPORTED THAT SAUDI CROWN PRINCE FAHD ARRIVED IN RABAT MAY 2. CHRISTO
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RUHA/AMEMBASSY JIDDA 299
RUKM/AMEMBASSY KHARTOUM 270
RUDI/AMEMBASSY MOGADISCIO 444
RUMI/AMEMBASSY MUSCAT 23
RUPS/AMEMBASSY PARIS 538
RUDI/AMEMBASSY RABAT IMMEDIATE 15
RUHS/AMEMBASSY SANA 378
RUHR/AMEMBASSY TEHRAN 33
RUTV/AMEMBASSY TEL AVIV 26
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C O N F I D E N T I A L DJIBOUTI 0910

E.O. 12065: GDS 5/6/85 (CLARKE, WALTER S.) OR-M
TAGS: PEPR DJ XR
SUBJECT: (U) DJIBOUTI VIEWS ON EGYPTIAN MEMBERSHIP IN ISLAMIC CONFERENCE

REF: A. STATE 113943, B. RABAT 3082

(U) - FULL TEXT

1. FOREIGN MINISTER MOUMIN BAHDON RECENTLY RETURNED FROM A SERIES OF CONFERENCES AND VISITS IN KIGALI, PARIS, ETC., AND DEPARTING THIS EVENING, MAY 6, TO REPRESENT DJIBOUTI AT THE TENTH ISLAMIC FORMIN CONFERENCE. CHARGE TOOK ADVANTAGE OF FOREIGN MINISTER'S PERSONAL PRESENCE IN DJIBOUTI TO DISCUSS SEVERAL MATTERS, INCLUDING ISLAMIC CONFERENCE. ALTHOUGH EMBASSY NOT ACTION ADDRESSEE ON REFTEL, TALKING POINTS WERE USEFUL IN DISCUSSION. WE BELIEVE THAT FOREIGN MINISTER'S REPLIES INDICATE POSSIBLY ENCOURAGING ATTITUDE TOWARDS CERTAIN LESS-POLITICIZED ARAB STATES.

3. IN REPLY TO CHARGE COMMENTS PER REFTEL A, MOUMIN BAHDON STATED THAT DJIBOUTI CONSIDERS ARAB LEAGUE AND ISLAMIC CONFERENCE AFFAIRS TO BE SEPARATE AND DISTINCT. HE NOTED THAT CHARTER OF ISLAMIC CONFERENCE DOES NOT PROVIDE FOR EXPULSION OF MEMBERS FOR ANY ACTIONS, PARTICULARLY SOVEREIGN ACTIONS WHICH HE AGREED WAS THE CASE FOR THE EGYPT-ISRAELI PEACE AGREEMENT. MOUMIN BAHDON SAID THAT HE DISTURBED LEARN THAT IRAN WILL PROPOSE EGYPTIAN EXPUL.

4. THE DJIBOUTI MINISTER FEARS THAT EXPULSION OF EGYPT FROM THE ISLAMIC CONFERENCE WOULD SERVE AS UNFORTUNATE BACKDROP FOR UPCOMING EFFORTS TO DISLODGE EGYPT FROM THE ORGANIZATION OF AFRICAN UNITY. MOUMIN BAHDON STATED THAT DJIBOUTI IS OPPOSED FIRMLY TO BOTH EXPULSIONS.

5. MOUMIN BAHDON BELIEVES THAT THE PRESENCE OF EGYPT AT THE RABAT CONFERENCE IS INDISPENSABLE IF ACTIONS TO AVOID THE EXPULSION ARE TO BE SUCCESSFUL. THE FOREIGN MINISTER REPORTS THAT SEVERAL OTHER ARAB FOREIGN MINISTERS FEEL LIKE HIMSELF THAT EFFORTS TO CONDEMN EGYPT HAVE ALREADY GONE TOO FAR. HE PROVIDED NO NAMES. HE DOES NOT UNDERSTAND THE REASON FOR THE GAYE MISSION TO CAIRO, (REFTEL B), BUT HOPES THAT IT WILL NOT RESULT IN EGYPTIAN DECISION TO IGNORE CONFERENCE.

6. COMMENT: THE DJIBOUTIAN COULD PROVE TO BE A USEFUL CONTACT AT RABAT. HOWEVER, HE IS BETTER APPROACHED STRICTLY ON A PERSON TO PERSON BASIS. WE HAVE FOUND THAT IN INFORMAL GROUPS, EVEN VERY SMALL GROUPS, HE TENDS TO CLAM UP AND NOT PARTICIPATE IN GENERAL DISCUSSION. WE SUSPECT THAT THIS RETICENCE WILL ALMOST CERTAINLY EXTEND TO ANY VOCAL PARTICIPATION IN PLENARY MEETINGS OF THE ISLAMIC CONFERENCE BY THIS BORDERLINE ARAB STATE.

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RUHAM/AMEMBASSY AMMAN 7481
RUHAD/USINT BAGHDAD 2122
RUHDM/AMEMBASSY DAMASCUS 6342
RUMDJ/AMEMBASSY DJIBOUTI 0326
RUMOD/AMEMBASSY DOHA 1007
RUBT/AMEMBASSY JAKARTA 0142
RUMRA/AMEMBASSY JIDDA 518
RUJM/AMCONSUL JERUSALEM 3758
RUKW/AMEMBASSY KUWAIT 5621
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RUTI/AMEMBASSY TRIPOLI 4404
RUDT/USMISSION USUN NEW YORK 5686

S E C R E T CAIRO 09388

FORN

E.O. 12065: GDS 5/8/85 (LORENZ, JOSEPH P.) OR-P
TAGS: PORG SHUM EG XF
SUBJECT: (S) EGYPTIANS SUSPECT MOROCCAN DOUBLE CROSS AT FEZ

REF: CAIRO 9255 AND PREVIOUS

(S - ENTIRE TEXT)

WE HAVE HAD FURTHER DETAILS FROM MFA IO DIRECTOR MOUSSA ON THE NATURE OF THE DEAL STRUCK OVER THE [illegible]END RE CONTINUED EGYPTIAN MEMBERSHIP IN THE ISLAMIC [illegible]FERENCE. MOUSSA EXPLAINED THE BACKGROUND TO US AS [illegible]LOWS.

3. ACCORDING TO MOUSSA, THE AGREEMENT REACHED BY GOE AND AMB SILA (WHO WAS REPRESENTING BOTH MOROCCAN GOVT AND ISLAMIC CONF SECRETARIAT) WAS CLEARLY UNDERSTOOD TO COVER ACTION BOTH IN THE PREPARATORY COMMITTEE AND IN THE CONFERENCE ITSELF. (SILA IN FACT INFORMED SYG GAYE BY TELEPHONE OF NATURE OF UNDERSTANDING BEFORE PREPARATORY COMMITTEE MEETING TOOK PLACE.) ESSENCE OF AGREEMENT WAS THAT BOTH SECRETARIAT AND MOROCCO (AS CHAIRMAN) WOULD WORK AGAINST SUSPENSION IN RETURN FOR EGYPT STAYING AWAY AND NOT DISRUPTING CONFERENCE. SPECIFICALLY, SILA WAS AUTHORIZED TO GIVE ASSURANCES THAT LIBYA'S MOVE IN PREPARATORY COMMITTEE TO ADD SUSPENSION ITEM TO AGENDA WOULD BE QUASHED.

4. MOUSSA SAID EGYPT REALLY DID NOT HAVE MUCH CHOICE BUT TO ACCEPT SECRETARIAT/MOROCCAN OFFER SINCE GOM HAD REFUSED EGYPTIAN DEL'S AIRCRAFT PERMISSION TO LAND IN MOROCCO. SPECULATING ON REASONS FOR MOROCCAN STANCE, MOUSSA THOUGHT THE DESIRE OF THE CONFERENCE HOST FOR A SMOOTH, NON-DIVISIVE CONFERENCE WAS PROBABLY THE COMPELLING FACTOR. SIMILARLY, SYG GAYE UNDOUBTEDLY WANTED THE CONFERENCE TO CONTINUE AT LEAST UNTIL RULES HAD BEEN AMENDED SO THAT HE COULD SUCCEED HIMSELF.

5. MOUSSA SAID THE MFA CONSENSUS WAS THAT MOROCCANS AND SYG GAYE WOULD NOT FOLLOW THROUGH ON THE AGREEMENT REACHED WITH SILA. THE PREPARATORY COMMITTEE ACTION TO INCLUDE SUSPENSION ON THE AGENDA SEEMED TO CONFIRM THIS. GRANTED THAT CONFERENCE ACTION TO SUSPEND OR EXPEL REQUIRED A TWO-THIRDS VOTE WHILE PREPARATORY COMMITTEE ACTION REQUIRED A SIMPLE MAJORITY, THE FAILURE BY THE CHAIR AND SYG TO OPPOSE THE LIBYAN MOVE IN THE FIRST STAGE AS PROMISED WAS NOT AUSPICIOUS. IN FACT, IT LOOKED VERY MUCH LIKE A DOUBLE CROSS.

6. IN MOUSSA'S VIEW IT WAS NOW HIGHLY UNLIKELY THAT GOE WOULD SEND A DELEGATION TO FEZ. IF ACTION WAS TAKEN TO EXCLUDE EGYPT, IT WOULD BE DONE QUICKLY, AND EGYPT WOULD THEN NOT BE PERMITTED TO ATTEND. MOUSSA CONFIRMED THAT IF A DELEGATION WERE TO GO, IT WOULD (AS PART OF THE AGREEMENT WITH SILA) BE A "RELIGIOUS" DELEGATION HEADED BY MINISTER OF WAQFS AL NIMR. HOWEVER, HE THOUGHT THIS HAD BEEN OVERTAKEN BY APPARENT DETERMINATION AT CONFERENCE TO MOVE AGAINST EGYPT. IN THIS REGARD, HE BELIEVED THAT KHOMEINI'S CALL TODAY ON ALL ISLAMIC STATES TO EXPEL EGYPT FROM ISLAMIC CONFERENCE WOULD ADD FUEL TO THE FIRE ALREADY THERE. EILTS
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RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2119

S E C R E T SECTION 01 OF 03 STATE 120371/01

E.O. 12065 SDS 5/11/85 (WOLLE, WILLIAM D.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 809 - MAY 11, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED
NOT RELEASABLE TO FOREIGN NATIONALS

1. (C) A MAJORITY OF ISLAMIC CONFERENCE MEMBERS HAVE VOTED TO SUSPEND EGYPT'S MEMBERSHIP IN THAT ORGANIZATION. SOME ARAB STATES, HOWEVER, ARE USING THE CONFERENCE TO GO BEYOND SUSPENSION AND TO SEEK GREATER PUNISHMENT OF EGYPT, REJECTION OF THE PEACE TREATY AND INTIMIDATION OF THOSE FEW STATES WHICH ARE INCLINED TO SUPPORT EGYPT.

2. (U) MORE RESOLUTIONS ON THE PALESTINIANS AND JERUSALEM CAN BE EXPECTED. A CONFERENCE SPOKESMAN SAID ON MAY 10 THAT THE POLITICAL COMMITTEE HAD DECIDED TO REGARD JERUSALEM AS THE CAPITAL OF PALESTINE AND AS A PERMANENT MEMBER OF THE ORGANIZATION OF ISLAMIC CAPITAL CITIES.

3. (U) RABAT RADIO INDICATED SAUDI ARABIA HAD PROPOSED A PROCEDURAL PROGRAM "FOR THE LIBERATION OF JERUSALEM" BUT THERE WAS NO REPORT OF VOTING ON THIS ISSUE.

4. (C) SUDAN AND OMAN WERE AMONG EIGHT COUNTRIES ABSTAINING ON THE SUSPENSION ISSUE. THE OTHERS -- SENEGAL, GABON, UPPER VOLTA, NIGER, GUINEA-BISSAU AND GAMBIA -- SAID THE AFRICAN STATES HAD DECIDED NOT TO PARTICIPATE IN THE ISSUE BECAUSE THE OAU HAD NOT YET ADOPTED A POSITION ON THE TREATY. APPARENTLY, NO ONE VOTED AGAINST SUSPENSION.

5. (C) ARAB HARDLINERS CAN ALSO EXPRESS SATISFACTION THAT BEFORE THE CONFERENCE EVEN STARTED, THE TENSION OVER THE SUSPENSION ISSUE BROUGHT A STRAIN IN RELATIONS BETWEEN EGYPT AND MOROCCO. THE EGYPTIANS HAD BELIEVED THE MOROCCANS WOULD HELP THEM PLAN STRATEGY AT THE CONFERENCE BUT LATER FELT THEY WERE BETRAYED. THIS RESULTED IN AN EGYPTIAN FOREIGN MINISTRY STATEMENT EXPOSING "THE MANEUVERS CARRIED OUT BY THE MOROCCAN GOVERNMENT." MOROCCO HAD EARLIER BEEN A CAUTIOUS SUPPORTER OF SADAT'S PEACE INITIATIVES.

6. (U) SADAT CONTINUED HIS PERSONAL CRITICISMS OF THE CONFERENCE MEMBERS WHO VOTED FOR EGYPT'S SUSPENSION. "MOROCCO PLAYED A MEAN ROLE," HE SAID MAY 10 DURING A TOUR OF LOWER EGYPT. EGYPT'S SUSPENSION WAS "IN CONTINUATION OF SAUDI ARABIA'S PLAN," SADAT SAID, BUT ADDED THAT THE SUSPENSION OF EGYPT'S MEMBERSHIP "IS NOT IMPORTANT AND HAS NO VALUE."

7. (C) SADAT'S WORDS ARE INTENDED FOR THE EGYPTIAN PEOPLE WHO, AT LEAST FOR THE TIME BEING, ENJOY HIS ATTACKS ON THE RICH ARABS OF THE ARABIAN PENINSULA. IN THE LONG RUN, HOWEVER, THOUGHTFUL ELEMENTS IN THE EGYPTIAN POPULATION WILL QUESTION THEIR COUNTRY'S ISOLATION FROM NATIONS WITH WHICH THEY SHARE COMMON POLITICAL, CULTURAL AND RELIGIOUS BELIEFS. THE QUESTIONING WILL BE MORE INTENSE IF THEY PERCEIVE EGYPT HAS SUFFERED ISOLATION AND SANCTIONS AND HAS GAINED NO BENEFITS FROM THE PEACE TREATY.

8. (U) SANCTIONS: THE IRAQI NEWS AGENCY REPORTS BT
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FROM TUNIS THAT THE EXECUTIVE COUNCIL OF THE ARAB CIVIL AVIATION ORGANIZATION RECOMMENDED ON MAY 10 THAT EGYPTIAN CIVIL AIRLINES BE BARRED FROM ARAB AIRSPACE, AIR EGYPT OFFICES IN ARAB COUNTRIES BE CLOSED DOWN, ARAB AIR TRANSPORT AGREEMENTS WITH EGYPT BE SUSPENDED, AND ARAB AIRLINE OFFICES IN EGYPT BE SHUT DOWN. THE COUNCIL RECOMMENDED THAT ARAB GOVERNMENTS IMPLEMENT THESE MEASURES.

9. (U) EGYPT-AUTONOMY: BUTRUS GHALI, IN AN INTERVIEW ON MAY 10 WITH AL-JUMHURIYAH, REJECTED ISRAELI CLAIMS THAT PALESTINIAN SELF-RULE WOULD NOT INCLUDE CONTROL OVER LAND. CLAIMING THAT THE ISRAELIS HAVE RECENTLY RESORTED TO INTERPRETATIONS OF AUTONOMY DIFFERENT FROM THOSE AGREED ON, HE DECLARED THAT IT WAS UNIMAGINABLE FOR THE PALESTINIANS TO EXERCISE SELF-RULE WITHOUT SUCH CONTROL. GHALI SAID THAT THE ISRAELI STATEMENTS WERE DESIGNED FOR LOCAL CONSUMPTION AND TO PROVOKE THE REJECTIONISTS. HE SPOKE OF ISRAELI AND ARAB REJECTIONISTS BEING IN AN "ALLIANCE" (BY USING EACH OTHERS' PROVOCATIONS) TO HINDER PALESTINIAN SELF-DETERMINATION.

10. (C) PALESTINIANS: I4 A SERIES OF RECENT INTERVIEWS, MAYOR RASHAD SHAWWA OF GAZA CITY HAS REITERATED HIS SUPPORT FOR THE PALESTINE LIBERATION ORGANIZATION AS THE SOLE, LEGITIMATE SPOKESMAN FOR THE PALESTINIANS. SHAWWA, THE MOST INFLUENTIAL POLITICIAN IN GAZA, CRITICIZED THE COMING AUTONOMY NEGOTIATIONS BECAUSE THEY DENY THE POSSIBILITY OF ESTABLISHING AN INDEPENDENT PALESTINIAN STATE. NONETHELESS, HE ALSO EXPRESSED INTEREST IN MEETING WITH EGYPTIAN PRESIDENT SADAT TO DISCUSS THE AUTONOMY TALKS. SHAWWA IS VISITING JORDAN, SYRIA, AND LEBANON AND PLANS TO DISCUSS THE NEGOTIATIONS WITH PLO LEADER YASIR ARAFAT.

11. (U) ISRAEL: AP REPORTED MAY 1Ø THAT ISRAELI AUTHORITIES JAILED TWO AMERICANS PENDING THEIR DEPORTATION FOR PARTICIPATING IN ANTI-ISRAELI DEMONSTRATIONS ON THE WEST BANK. THE DEMONSTRATIONS REFERRED TO APPARENTLY ARE THOSE WHICH CAUSED AUTHORITIES TO CLOSE BIR ZEIT UNIVERSITY SEVERAL DAYS AGO. THE TWO AMERICANS, ARE TWIN BROTHERS AND THEIR FATHER IS ON THE STAFF OF BIR ZEIT.

12. (C) EMBASSY TEL AVIV REPORTS THAT LAST WEEK KNESSET MEMBER AVRAHAM KATZ BROUGHT OUT A BILL DESIGNED TO RESTRICT THE RETURN TO POLITICS BY ISRAEL'S PRESIDENTS ONCE THEY LEAVE THAT CEREMONIAL OFFICE. UNDER THE BILL, FORMER PRESIDENTS COULD NOT RUN FOR A KNESSET SEAT FOR FOUR YEARS AFTER LEAVING OFFICE. THE BILL IS A THINLY DISGUISED EFFORT TO HALT THE POLITICAL AMBITIONS OF PRESIDENT NAVON. THE BILL HAS LITTLE SUPPORT, THE EMBASSY SAYS, BUT IT REFLECTS THE TENSION BETWEEN THE LIKUD AND NAVON SINCE THE LATTER'S ELECTION LAST YEAR.

13. (U) ON MAY 1Ø AN ISRAELI COURT SENTENCED A SENEGALESE UNIFIL OFFICER TO 1Ø YEARS IN PRISON FOR ATTEMPTING TO SMUGGLE EXPLOSIVES INTO THE COUNTRY. THE COURT REJECTED A CLAIM THAT ISRAEL HAD NO RIGHT TO TRY UN EMPLOYEES.

14. (U) ON MAY 1Ø MA'ARIV REPORTED THAT ISRAEL SENT A SHARP NOTE OF PROTEST TO THE UN COMMAND IN SOUTHERN LEBANON FOLLOWING THE ATTACK ON A KIBBUTZ BY A PFLP SQUAD WHICH APPARENTLY CAME THROUGH UNIFIL TERRITORY. HOWEVER, ISRAELI RADIO LATER SAID THAT AN ISRAELI ARMY SPOKESMAN DENIED A PROTEST NOTE WAS SENT. ISRAELI MEDIA HAD CARRIED REMARKS FROM UNNAMED ISRAELI MILITARY SOURCES IMPLYING UNIFIL WAS TO BLAME FOR ALLOWING THE GUERRILLAS TO COME THROUGH ITS AREA.

15. (U) ON MAY 9 THE ISRAELI STATE COMPTROLLER, WATCHDOG OF GOVERNMENT ACTIVITIES, STRONGLY CRITICIZED THE CONDUCT BT
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OF LAST YEAR'S INVASION OF SOUTH LEBANON. ACCORDING TO REUTER, THE REPORT FOUND THAT THE OPERATION WAS PREPARED IMPROPERLY, INTELLIGENCE WAS FAULTY AND SOME LOSSES WERE CAUSED BY MILITARY CLUMSINESS AND AVOIDABLE ACCIDENTS. AT LEAST 178 SOLDIERS WERE CAUGHT LOOTING. AN ARMY SPOKESMAN SAID THAT FAULTS DISCLOSED HAD ALREADY BEEN INVESTIGATED AND STEPS TAKEN TO AVOID FURTHER ABUSES AND MISHAPS.

16. (C) ISRAEL-LEBANON: LEBANESE PRESIDENT SARKIS USED THE MAY 9 CABINET MEETING TO GIVE AN INDIRECT BUT NEGATIVE REPLY TO BEGIN'S SUGGESTION OF NEGOTIATIONS BETWEEN THE TWO COUNTRIES. THE REPLY FOCUSED ON THE OVERALL NEED FOR A SOLUTION TO THE PALESTINIAN PROBLEM. EMBASSY BEIRUT COMMENTS THAT IN VIEW OF THE REPLY BY PRIME MINISTER AL HUSS (A MUSLIM) WHICH CATEGORICALLY REJECTED THE BEGIN OFFER, PRESIDENT SARKIS (A MARONITE) APPARENTLY FELT IT WISER NOT TO TACKLE THE ISSUE HEAD ON.

17. (U) AN IRAQI PAPER HAS CARRIED AN INTERVIEW WITH SULEIMAN FRANJIYEH IN WHICH HE REPORTEDLY SAID LEBANON SHOULD BREAK RELATIONS WITH THE US IF THE LATTER DOES NOT STOP ISRAELI ATTACKS ON LEBANON.

18. (U) REUTER HAS REPORTED THAT ELDERS OF A LEBANESE VILLAGE HAD APPEALED TO THE UN FOR HELP IN FREEING NINE LOCAL MEN ALLEGEDLY ABDUCTED BY THE ISRAELIS DURING THIS WEEK'S INCURSION INTO LEBANON.

19. (S/NF) SYRIA-LEBANON: A SOURCE OF OUR DEFENSE ATTACHE IN TEL AVIV REPORTS THAT THERE ARE GOOD INDICATIONS THAT THE SYRIANS INTEND TO ALTER THEIR POSTURE IN LEBANON BY CHANGING THE CURRENT DEPLOYMENT OF THEIR FORCES OR BY WITHDRAWING OR ROTATING SOME OF THEM. THE SYRIANS MAY INTEND TO TURN OVER SOME SENSITIVE POSITIONS IN BEIRUT TO THE LEBANESE ARMY. THE SOURCE SPECULATES THAT THE SYRIAN ACTIVITY MIGHT BE INDICATIVE OF EFFORTS TO ESTABLISH A NEW RELATIONSHIP BETWEEN LEBANON AND SYRIA (PERHAPS A DEFENSE PACT) WHICH WOULD ENSURE A MEASURE OF LEGITIMACY AND ACCEPTABILITY FOR THE SYRIAN PRESENCE IN LEBANON, NOW THAT THEY ARE THE SOLE ADF CONTRIBUTOR.

20. (S) ACCORDING TO A CIA REPORT, WHICH HAS DRAWN ON REPORTING BY EMBASSY SANA, NORTH YEMENI PRESIDENT ALI ABDALLAH SALIH, ALTHOUGH PUBLICLY ENDORSING THE GOAL OF RAPID REUNIFICATION OF NORTH YEMEN AND SOUTH YEMEN, IS PRIVATELY STALLING TO GAIN TIME TO REBUILD THE NORTH'S MILITARY CAPABILITY. ONLY ONE OF EIGHT JOINT NEGOTIATING COMMITTEES ESTABLISHED AFTER THE CEASE-FIRE IN MARCH HAS MET SO FAR; ITS TASK IS TO DRAFT A CONSTITUTION. NORTHERN NEGOTIATORS HAVE MANAGED TO DELAY THE NEXT SESSION OF THE COMMITTEE UNTIL JUNE 1.

21. (C) SOUTH YEMENI PRESIDENT ABD AL-FATAH ISMAIL, WHOSE OBJECTIVE IS TO UNIFY THE YEMENS UNDER HIS REGIME'S LEADERSHIP, HAS NOTIFIED SALIH THAT HE WILL NOT BE PUT OFF. ISMAIL REPORTEDLY SENT AN ULTIMATUM TO SALIH LAST WEEK INDICATING THAT HE WOULD RESORT TO FORCE IF THE NEGOTIATIONS BOGGED DOWN. ISMAIL IS ALSO DEMANDING THAT THE FOLLOWUP SUMMIT MEETING, AGREED TO IN THE CEASE-FIRE ARRANGEMENTS, BE HELD NEXT WEEK. VANCE

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CFR REPORT, INFORM CONSULS, CINC/SHAPE FOR POLADS ONLY

E.O. 12065 GDS, 5/16/85 (TARNOFF, PETER)

TAGS: XX, US

SUBJECT: CURRENT FOREIGN RELATIONS, ISSUE NO. 19, MAY 16, 1979

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1. EB: US-CHINA TRADE AGREEMENT IS INITIALLED IN BEIJING (LIMITED OFFICIAL USE)

THE INITIALLING ON MAY 14 OF THE US-CHINA TRADE AGREEMENT BY SECRETARY KREPS AND PRC MINISTER FOR FOREIGN TRADE LI QIANG MARKS A SIGNIFICANT STEP TOWARD THE IMPROVEMENT OF ECONOMIC AND COMMERCIAL RELATIONS BETWEEN THE TWO COUNTRIES. THE NEW AGREEMENT, WHICH WILL BE FOR A THREE YEAR TERM, PROVIDES A FRAMEWORK FOR THE EXPANSION OF TRADE RELATIONS AND INCLUDES THE FOLLOWING MAJOR PROVISIONS:

--PRINCIPLES GOVERNI : THE EXPANSION OF TRADE;

--RECIPROCAL EXTENSION OF NON-DISCRIMINATORY TARIFF TREATMENT (MFN);

--RIGHTS AND PRINCIPLES RELATING TO THE ACTIVITIES OF BUSINESS AND FINANCIAL REPRESENTATIVES;

--SAFEGUARDS AGAINST MARKET DISRUPTION;

--PATENT, TRADEMARK, AND COPYRIGHT PROTECTION; AND

--PRINCIPLES GOVERNING THE SETTLEMENT OF COMMERCIAL DISPUTES.

AFTER PRELIMINARY EXCHANGES OF VIEWS ON A TRADE AGREEMENT BETWEEN FEBRUARY AND APRIL, DETAILED AND INTENSIVE NEGOTIATIONS BEGAN ON MAY 3 IN BEIJING. A MAJOR NEGOTIATING HURDLE LAS THE CHINESE DESIRE FOR AN AGREEMENT INCORPORATING GENERAL PRINCIPLES, IN CONTRAST TO U.S. INTEREST IN A DETAILED, SPECIFIC AGREEMENT SIMILAR TO THOSE PREVIOUSLY SIGNED WITH ROMANIA (1975) AND HUNGARY (1978). IN ADDITION, THE U.S. WAS REQUIRED BY SECTION 405 OF THE TRADE ACT OF 1974 TO INCLUDE CERTAIN SPECIFIC PROVISIONS ON WHICH WE HAD LITTLE NEGOTIATING FLEXIBILITY. THE FINAL INITIALLED TEXT REPRESENTS A COMPROMISE BETWEEN THESE TWO APPROACHES. HOWEVER, IT IS THE MOST DETAILED TRADE AGREEMENT WHICH CHINA HAS ENTERED INTO.

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AFTER BOTH GOVERNMENTS REVIEW THE INITIALLED TEXT, THE AGREEMENT WILL BE SIGNED AND THEN SENT TO CONGRESS FOR APPROVAL. AT THE TIME THE AGREEMENT IS TRANSMITTED TO THE CONGRESS, THE PRESIDENT WILL EXERCISE HIS AUTHORITY TO WAIVE THE JACKSON-VANIK EMIGRATION RESTRICTIONS OF SECTION 402 OF THE TRADE ACT.

THE INITIALING OF THE TRADE AGREEMENT WAS PRECEDED

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ENCOURAGE SADAT IN HIS PRESENT CONFRONTATIONAL APPROACH TO HIS ARAB OPPONENTS. HOWEVER, IT DOES NOT NECESSARILY SET A PRECEDENT FOR INTERNATIONAL BODIES WHERE THE ARABS DO NOT ENJOY THE SAME NUMERICAL ADVANTAGE. THE NEXT MAJOR TEST OF EGYPT'S POSITION WILL BE AT THE MONROVIA SUMMIT OF THE ORGANIZATION OF AFRICAN UNITY IN JULY, WHERE THE AFRICAN MISGIVINGS WHICH SURFACED AT FEZ SHOULD FIND WIDER SUPPORT.

3. NEA - LEBANON (SECRET)

BY THE SIGNING BY SECRETARY KREPS AND THE CHINESE MINISTER OF FINANCE OF THE CLAIMS-ASSETS AGREEMENT THAT HAD BEEN NEGOTIATED AND INITIALLED EARLIER DURING THE VISIT OF SECRETARY BLUMENTHAL TO CHINA. THAT AGREEMENT IS IN SETTLEMENT OF CLAIMS OF NATIONALS OF THE UNITED STATES AGAINST THE GOVERNMENT OF CHINA FOR NATIONALIZATION OR OTHER TAKING OF PROPERTY AND THE RECIPROCAL CLAIMS OF THE CHINESE FOR CHINESE ASSETS BLOCKED BY THE U.S. THE SIGNING OF THE CLAIMS-ASSETS AGREEMENT WAS A POLITICAL PREREQUISITE FOR THE INITIALING BY THE US OF THE TRADE AGREEMENT.

THE SENSITIVE SUBJECT OF TEXTILE IMPORTS FROM CHINA HAS BEEN UNDER DISCUSSION BETWEEN THE TWO GOVERNMENTS. CONSIDERABLE PROGRESS WAS MADE IN TWO ROUNDS OF NEGOTIATIONS THAT PRECEDED THE VISIT OF SECRETARY KREPS TO CHINA BUT THE TWO SIDES ARE STILL NOT IN FULL AGREEMENT. A US DELEGATION WILL BE IN BEIJING THE WEEK OF MAY 21 IN THE HOPE OF CONCLUDING THE TEXTILE BILATERAL. THE CHINESE ARE AWARE THAT UNTIL A SATISFACTORY TEXTILE AGREEMENT IS REACHED TO LIMIT THE GROWTH OF TEXTILE EXPORTS TO THE US, IT WOULD BE DIFFICULT FOR THE ADMINISTRATION TO SEND THE TRADE AGREEMENT TO THE CONGRESS FOR APPROVAL.

DURING THE KREPS VISIT, DISCUSSIONS WERE HELD ON A US-CHINA AVIATION AGREEMENT AND A US-CHINA MARITIME AGREEMENT. BOTH GOVERNMENTS INTEND TO BEGIN FORMAL NEGOTIATIONS FOR AN AIR TRANSPORT AGREEMENT AS EARLY AS POSSIBLE ON A PRIORITY BASIS. PENDING THE CONCLUSION OF A FORMAL AVIATION AGREEMENT, THEY INTEND TO CONSIDER CHARTER OPERATIONS SO THAT AIR COMMUNICATIONS CAN BE STARTED PROMPTLY BETWEEN THE TWO COUNTRIES. INITIAL NEGOTIATIONS ON A US-PRC MARITIME AGREEMENT WERE HELD AND DRAFTS WERE EXCHANGED BETWEEN THE TWO GOVERNMENTS. AFTER BOTH SIDES REVIEW THE RESPECTIVE DRAFTS, THE CHINESE WILL PROPOSE A DATE FOR THE NEXT ROUND OF NEGOTIATIONS.

2. IO - EGYPT SUSPENDED FROM ISLAMIC CONFERENCE (CONFIDENTIAL)

DESPITE EXTENSIVE EFFORTS BY EGYPT AND THE UNITED STATES TO PROTECT EGYPT'S POSITION, EGYPT WAS SUSPENDED FROM FURTHER PARTICIPATION IN THE ISLAMIC FOREIGN MINISTERS CONFERENCE AT ITS MAY 8-12 MEETING IN FEZ, MOROCCO. THE OUTCOME WAS NOT SURPRISING; NEARLY HALF OF THE MEMBERS WERE SIGNATORIES OF THE BAGHDAD II RESOLUTIONS. IN A POTENTIALLY SIGNIFICANT DEVELOPMENT, HOWEVER, A NUMBER OF ISLAMIC AFRICAN STATES EXPRESSED PUBLIC DISAGREEMENT WITH THE OUTCOME AND SENEGAL APPARENTLY WORKED AGAINST THE ARAB INITIATIVE. TWO ASIAN MEMBERS, INDONESIA AND MALAYSIA, EXPRESSED PRIVATE MISGIVINGS ABOUT EGYPT'S SUSPENSION BUT WERE PASSIVE IN THE FACE OF ARAB INSISTENCE.

EGYPT'S SUSPENSION FROM THE ISLAMIC CONFERENCE REINFORCES EGYPTIAN ISOLATION WITHIN THE ARAB WORLD AND MAY BT
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RECENT WEEKS HAVE SEEN AN ESCALATION OF VIOLENCE IN LEBANON. THE SITUATION IN SOUTHERN LEBANON WORSENED WHEN RIGHTIST MILITIA LEADER SAAD HADDAD OBJECTED TO THE DEPLOYMENT IN MID-APRIL OF A LEBANESE ARMY BATALLION TO ASSIST THE UN PEACEKEEPING FORCE AND ASSERT THE LEBANESE GOVERNMENT'S SOVEREIGNTY OVER THE AREA. HADDAD SHELLED THE LEBANESE ARMY FORCE AND THE HEADQUARTERS OF THE UN, WOUNDING A NUMBER OF UN PERSONNEL AND KILLING LEBANESE CIVILIANS. HE FOLLOWED THIS WITH A DECLARATION OF THE INDEPENDENCE OF HIS ENCLAVE. ALTHOUGH HADDAD'S DECLARATION HAS NOT BEEN SUPPORTED BY ANYONE, INCLUDING HIS ISRAELI BACKERS, THE PRESENCE OF HIS ENCLAVE CONTINUES TO CONSTITUTE A THREAT TO HOPES OF STRENGTHENING THE FRAGILE LEBANESE GOVERNMENT.

THE CYCLE OF PALESTINIAN TENSION AND ISRAELI REPRISALS AGAINST PALESTINIAN TARGETS IN LEBANON HAS ALSO INTENSIFIED. IN THE AFTERMATH OF A PALESTINIAN TERRORIST RAID APRIL 22 ON THE ISRAELI TOWN OF NAHRIYYA, ISRAEL CARRIED OUT A SERIES OF AIR STRIKES AGAINST PALESTINIAN TARGETS IN LEBANON, WITH HEAVY LOSS OF CIVILIAN LIFE. ALTHOUGH THE SITUATION IS NOW QUIET, THERE MAY BE FURTHER ISRAELI RETALIATION IN LEBANON FOR A BOMB ATTACK ON THE TOWN OF TIBERIAS MAY 14 WHICH KILLED TWO ISRAELIS AND WOUNDED MANY OTHERS. THE PLO LEADERSHIP IN BEIRUT CLAIMED CREDIT FOR THE ATTACK.

IN BEIRUT, RECENT DAYS HAVE SEEN HEAVY FIGHTING BETWEEN CHRISTIAN FACTIONS OVER CONTROL OF AREAS IN THE SOUTHEASTERN SUBURBS OF THE CITY. THIS INTERNECINE CHRISTIAN VIOLENCE INVOLVES A DISPUTE OVER TURF BETWEEN WHAT AMOUNT TO RIVAL GANGS, AND IS NOT POLITICALLY MOTIVATED. IN AN ATTEMPT TO STOP THE FIGHTING, THE PRINCIPAL CHRISTIAN LEADERS ANNOUNCED A MERGER OF THEIR FORCES, ALREADY UNITED IN THEORY IN A JOINT COMMAND.

THE LEBANESE GOVERNMENT WAS OCCUPIED MAY 15-16 WITH TALKS IN DAMASCUS WITH THE SYRIAN LEADERSHIP. LEBANESE PRESIDENT SARKIS HOPES TO REACH AN ACCOMMODATION WITH THE SYRIANS PERMITTING REBUILT UNITS OF THE LEBANESE ARMY TO REPLACE SYRIAN FORCES IN BEIRUT. THE RESULTS OF THE TALKS ARE NOT YET KNOWN.

4. NEA - IRAN: CONTINUING EXECUTIONS (CONFIDENTIAL)

THE EXECUTION LAST WEEK OF LEADING JEWISH INDUSTRIALIST HABIB ELGHANIAN HAS CREATED A GREAT SENSE OF ANXIETY WITHIN THE JEWISH COMMUNITY IN IRAN. THE FEARS OF THE COMMUNITY WERE FURTHER HEIGHTENED BY RUMORS OF ARRESTS OF MANY OTHER JEWISH BUSINESS FIGURES. (OUR SKETCHY INFORMATION SUGGESTS POSSIBLY 12-25 JEWS ARE IN DETENTION.) MR. ELGHANIAN WAS TRIED, IN PART, FOR HIS "ASSOCIATION WITH ISRAEL AND ZIONISM." THIS CHARGE
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ADDED A NEW DIMENSION TO THE EXECUTIONS IN IRAN.

WE HAVE REPEATEDLY MADE CLEAR OUR STRONG DISAPPROVAL OF THE SUMMARY TRIALS AND EXECUTIONS IN IRAN. WE HAVE NOT TAKEN A STAND ON THE GUILT OR INNOCENCE OF THE PARTIES INVOLVED, BUT HAVE STATED THAT WE FEEL STRONGLY THAT THE DEFENDANTS SHOULD HAVE A FAIR AND OPEN TRIAL AND A FULL OPPORTUNITY TO DEFEND THEMSELVES. WE HAVE URGED THE IRANIAN AUTH ITIES TO ADHERE TO DUE PROCESS AND INTERNATIONALLY AC PTED STANDARDS OF JUSTICE AND

HUMAN RIGHTS. IN THE CASE OF MR. ELGHANIAN, WE HAVE TAKEN THE POSITION THAT HIS EXECUTION ON THE ABOVE MENTIONED CHARGES WAS CONTRARY TO THE DEMOCRATIC RESPECT FOR DIVERSE OPINION WHICH WAS ONE OF THE STANDARDS OF THE IRANIAN REVOLUTION.

THE GOVERNMENT OF IRAN HAS ASSURED US THAT MR. ELGHANIAN'S EXECUTION WAS AN INDIVIDUAL MATTER AND NOT DIRECTED AGAINST THE JEWISH COMMUNITY IN IRAN. WE HAVE BEEN TOLD THAT IRANIAN JEWS HAVE NOT BEEN AND WILL NOT BE PERSECUTED OR PRESSURED. AYATOLLAH KHOMEINI ASSURED A DELEGATION OF PROMINENT IRANIAN JEWS THAT THERE WAS NO CAMPAIGN UNDER WAY AGAINST THE JEWISH COMMUNITY. THE DELEGATION WAS LESS THAN FULLY ASSURED, HOWEVER, BY KHOMEINI'S ADDED REMARKS AGAINST ZIONISM. THERE ARE REPORTS THAT BETWEEN 300-500 IRANIAN JEWS ARE DEPARTING DAILY AND THE EXODUS IS EXPECTED TO CONTINUE.

KHOMEINI ON MAY 13 DECREED THAT FROM NOW ON ONLY THOSE WHO HAD BEEN GUILTY OF MURDER, OF ORDERING A MASSACRE, OR OF CARRYING OUT TORTURE RESULTING IN DEATH, COULD BE EXECUTED.

THE MINISTER OF JUSTICE HAS ANNOUNCED THAT A GENERAL AMNESTY WOULD BE GRANTED TO THOSE GUILTY OF MINOR OFFENSES UNDER THE PREVIOUS REGIME. PRIME MINISTER

BAZARGAN HAS PREVIOUSLY CALLED FOR AMNESTIES AND HAS URGED THAT THE PEOPLE PUT THE PAST BEHIND THEM AND CONCENTRATE ON GETTING THE ECONOMY GOING AGAIN. AYATOLLAH SHARIAT-MADARI HAS PLEADED FOR A MODERATE APPROACH IN THE CARRYING OUT OF JUSTICE, STRESSING THAT BOTH THE KORAN AND ISLAM ARE AGAINST VIOLENCE.

AYATOLLAH KHALKHALI ON MAY 13 REVEALED HIMSELF TO BE THE HEAD OF THE TEHRAN REVOLUTIONARY COURT. ACCORDING TO PRESS ACCOUNTS, KHALKHALI ANNOUNCED THAT THE SHAH AND TWELVE MEMBERS OF HIS FAMILY AND CLOSE ASSOCIATES HAVE BEEN SENTENCED TO DEATH IN ABSENTIA AND THAT, IN ACCORDANCE WITH ISLAMIC PRINCIPLES, ANYONE WAS THEREFORE FREE TO KILL THEM ON SIGHT ANYWHERE IN THE WORLD. WE HAVE STATED THAT WE DEPLORE ANY INVITATION TO INDISCRIMINATE VIOLENT AC OF THIS KIND.

THE CONTINUING EXECUTIONS SEEM CLEARLY THE WORK OF A REGIME THAT IS INTENSELY INSECURE, FEELING ITSELF THREATENED BY PRO-SHAH ELEMENTS, THE LEFT AND FOREIGN POWERS -- AND LACKING THE POWER AND AUTHORITY TO ENFORCE ORDER OR PREVENT ASSASSINATIONS AND SPORADIC REBELLIONS. THE EXECUTIONS ARE ALSO THE WORK OF FANATICAL ELEMENTS IN THE REVOLUTIONARY APPARATUS WHO ARE NOT RESPONSIVE TO PLEAS OF MODERATES LIKE BAZARGAN AND WHO ARE POSSIBLY BEYOND THE CONTROL OF KHOMEINI.

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5. ARA: CHILEAN SUPREME COURT JUDGE DENIES US EXTRADITION REQUEST (UNCLASSIFIED)

THE PRESIDENT OF CHILE'S SUPREME COURT, JUSTICE BORGUEZ, HANDED DOWN A DECISION MAY 14 DENYING THE US EXTRADITION REQUEST FOR THREE CHILEAN MILITARY OFFICERS IN CONNECTION WITH THE 1976 WASHINGTON BOMB MURDERS OF FORMER CHILEAN AMBASSADOR ORLANDO LETELIER AND RONNI MOFFITT, A US CITIZEN. THE THREE, FORMER

OFFICIALS OF CHILE'S SECRET POLICE (DINA), WERE INDICTED IN THE US ALONG WITH FIVE CUBANS IN AUGUST 1978 FOR THE ASSASSINATIONS. THREE OF THE CUBANS HAVE BEEN TRIED, CONVICTED AND SENTENCED IN A US FEDERAL COURT; THE TWO OTHERS HAVE NOT BEEN APPREHENDED.

BORGUEZ BASED HIS DECISION ON INSUFFICIENT EVIDENCE BUT IN LIEU OF EXTRADITION, HE ORDERED A CHILEAN MILITARY COURT TO BEGIN A TRIAL PROCEEDING. UNDER CHILEAN LAW, THE FIRST STAGE IN THIS PROCESS CONSISTS OF AN INVESTIGATION TO DETERMINE WHETHER THERE IS SUFFICIENT EVIDENCE FOR INDICTMENT AND TRIAL.

ALTHOUGH WE BELIEVE THE EVIDENCE PRESENTED TO THE CHILEAN COURTS FULLY JUSTIFIES EXTRADITION, THE PROVISIONS OF OUR EXTRADITION TREATY WITH CHILE PERMIT EACH TO ORDER A TRIAL IN LIEU OF EXTRADITION.

WE HAVE TOLD THE GOC THAT WE ARE GRAVELY DISTURBED BY THE BORGUEZ DECISION AND THAT WE WILL APPEAL. WE ARE PARTICULARLY CONCERNED THAT BORGUEZ REFERRED THE MATTER TO A MILITARY, RATHER THAN TO A CIVILIAN, COURT. WE HAVE RECALLED OUR AMBASSADOR FOR CONSULTATIONS AND ANNOUNCED WE WILL RE-EXAMINE ALL ASPECTS OF OUR RELATIONS WITH CHILE.

6. ARA: VIOLENCE CONTINUES IN NICARAGUA AND EL SALVADOR (CONFIDENTAL)

TERRORISM, VIOLENCE AND ARMED CLASHES CONTINUE IN NICARAGUA AND EL SALVADOR; TENSIONS ARE INCREASING AND KILLING HAS BECOME COMMONPLACE.

IN NICARAGUA, 105 CIVILIANS HAVE REPORTEDLY LOST THEIR LIVES DURING THE PAST WEEK. IN THE MOST INTENSE GUERRILLA ACTIVITY, THE NICARAGUAN PRESS REPORTS 61 FSLN AND 13 NATIONAL GUARD SOLDIERS HAVE BEEN KILLED IN CONTINUING JUNGLE FIGHTING NEAR NUEVA GUINEA. TWO BROAD OPPOSITION FRONT LEADERS, ALFONSO ROBELO AND RAFAEL CORDOVA-RIVAS, WERE ARRESTED LAST WEEK AND CHARGED WITH INSTIGATING THE RECENT FSLN UPRISING AT ESTELI. THEY WERE RELEASED ON MONDAY IN PART IN RESPONSE TO INTENSE, HIGH-LEVEL DEPARTMENT PRESSURE.

IN EL SALVADOR THE SITUATION REMAINS VERY TENSE. SALVADORAN ARMY AND POLICE UNITS ARE ON ALERT AND PRESIDENT ROMERO HAS THREATENED TO IMPOSE A STATE OF SIEGE. LAST FRIDAY, MEMBERS OF THE POPULAR REVOLUTIONARY BLOC (BPR) MOVEMENT OCCUPIED THE VENEZUELAN EMBASSY IN SAN SALVADOR --THE THIRD MISSION TO BE OCCUPIED -- AND ARE HOLDING THE AMBASSADOR AND OTHER STAFF MEMBERS HOSTAGE. THE FRENCH AMBASSADOR AND EMBASSY STAFFS, TAKEN HOSTAGE ON MAY 4, ARE STILL BEING HELD. THE COSTA RICAN AMBASSADOR AND STAFF OBTAINED THEIR FREEDOM UNDER
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CIRCUMSTANCES NOT YET CLARIFIED. IN RESPONSE TO RANSOM DEMANDS MADE ON THE FRENCH AND COSTA RICAN EMBASSIES, THE GOES ON MAY 1, RELEASED TWO ARRESTED BPR OFFICIALS.

COMMENT: WE SEE LITTLE CHANCE FOR AN END TO THE VIOLENCE AND FOR NATIONAL RECONCILIATION IN EITHER COUNTRY UNTIL THOSE GOVERNMENTS DEMONSTRATE AN EARNEST INTENTION TO MOVE TOWARD MORE DEMOCRATIC

SYSTEMS. IN THE ABSENCE OF REFORM, POLARIZATION OF SOCIETY WILL DEEPEN. WE CONTINUE TO ENCOURAGE BOTH GOVERNMENTS TO ENGAGE THE OPPOSITION IN A MEANINGFUL DIALOGUE, LEADING TO A MORE OPEN POLITICAL SYSTEM AND SOCIO-ECONOMIC REFORM.

7. ARA: PANAMANIAN PRESIDENT DISCUSSES CANAL TREATY IMPLEMENTATION LEGISLATION (LIMITED OFFICIAL USE)

PANAMA'S PRESIDENT ARISTIDES ROYO VISITED WASHINGTON MAY 9 TO 11. HE MET WITH PRESIDENT CARTER, THE SENATE FOREIGN RELATIONS COMMITTEE, THE HOUSE FOREIGN AFFAIRS COMMITTEE, KEY CONGRESSMEN AND ADDRESSED THE COUNCIL ON FOREIGN RELATIONS AND COUNCIL OF THE AMERICAS.

THE MAIN PURPOSE OF ROYO'S VISIT WAS TO CONVEY DIRECTLY TO PRESIDENT CARTER PANAMA'S CONCERN THAT LEGISLATION BEFORE THE HOUSE CONTAINS PROVISIONS WHICH CONFLICT WITH THE PANAMA CANAL TREATY AND US OBLIGATIONS UNDER THAT TREATY. THE VISIT GAVE US AN OPPORTUNITY TO ASSURE ROYO THAT THE ADMINISTRATION WOULD CONTINUE ITS EFFORTS TO O3TAIN LEGISLATION COMPATIBLE WITH THE LETTER AND SPIRIT OF THE TREATY. PRESIDENT ROYO CONSIDERED THE VISIT A SUCCESS AND WE WERE GENERALLY SATISFIED WITH THE RESULTS.

COMMITTEE ACTION ON T IMPLEMENTING LEGISLATION HAS BEEN COMPLETED I. THE HOUSE, AND IT WILL BE TAKEN UP ON THE FLOOR MAY 21. THE HOUSE BILL CONTAINS SEVERAL PROVISIONS WE FIND INCONSISTENT WITH THE LETTER OR SPIRIT OF THE TREATY AND OTHERS WE FIND INCONVENIENT FROM POLICY OR MANAGEMENT POINT OF VIEW.

THE SENATE WILL BEGIN CONSIDERATION OF THE LEGISLATION WITH HEARINGS BEFORE THE SENATE ARMED SERVICES COMMITTEE IN THE NEXT FEW WEEKS. WE HOPE THE SENATE AND LATER THE CONFERENCE WILL CORRECT DEFECTS IN THE BILL AS IT COMES OUT OF THE HOUSE.

THE ADMINISTRATION HAS BEEN WORKING INTENSIVELY TO PERSUADE CONGRESS OF THE NEED TO PASS LEGISLATION THAT WILL ENABLE US TO FULFILL OUR COMMITMENTS AND EXERCISE OUR RIGHTS UNDER THE TREATY. THE OUTCOME IS UNPREDICTABLE AT THIS POINT.

8. PA - UNEASE ABOUT NUCLEAR POWER GROWS IN WAKE OF POWER PLANT ACCIDENT (UNCLASSIFIED)

THE IMMEDIATE EFFECT OF THE THREE MILE ISLAND ACCIDENT HAS BEEN TO HEIGHTEN THE PUBLIC'S DOUBTS ABOUT U.S. RELIANCE ON NUCLEAR POWER. A MAJORITY OF AMERICANS NOW BELIEVE SIMILAR NUCLEAR PLANT ACCIDENTS ARE LIKELY TO BE

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OCCUR ELSEWHERE IN THE COUNTRY, AND ABOUT ONE-THIRD OF THE PUBLIC FEARS SUCH AN ACCIDENT COULD LEAD TO A HIROSHIMA-TYPE ATOMIC EXPLOSION.

PUBLIC SUPPORT FOR "BUILDING MORE NUCLEAR POWER PLANTS IN THE UNITED STATES" DECLINED SHARPLY AFTER THE THREE MILE ISLAND ACCIDENT, ACCORDING TO A RECENT HARRIS POLL. LAST FALL, HARRIS FOUND NEARLY A TWO-TO-ONE MAJORITY FAVORED CONSTRUCTING NEW NUCLEAR POWER PLANTS IN THE U.S. (57 PERCENT VS. 31 PERCENT). BY EARLY APRIL, TWO WEEKS AFTER THE ACCIDENT, THE PUBLIC WAS ABOUT EVENLY DIVIDED ON THIS ISSUE (47 PERCENT VS. 45 PERCENT).

THE PUBLIC'S CONCERN FOR PERSONAL SAFETY IS EVEN MORE EVIDENT IN ITS SIZABLE OPPOSITION TO HAVING A NUCLEAR PLANT BUILT CLOSE TO HOME. GALLUP ASKED THIS QUESTION IN EARLY APRIL:

"AS OF TODAY, HOW DO YOU FEEL ABOUT THE CONSTRUCTION OF A NUCLEAR POWER PLANT IN THIS AREA--THAT IS, WITHIN FIVE MILES OF HERE? WOULD YOU BE AGAINST THE CONSTRUCTION OF SUCH A PLANT IN YOUR AREA, OR NOT?"

- (IN PERCENT)

WOULD BE AGAINST 62 WOULD NOT BE AGAINST 33
- NO OPINION 5

HOWEVER, THE PUBLIC'S PREFERENCES REGARDING U.S. POLICY ON NUCLEAR ENERGY ARE ALSO INFLUENCED BY CONCERN ABOUT THE HIGHER ENERGY PRICES AND ENERGY SHORTAGES THAT COULD RESULT FROM LESS USE OF NUCLEAR POWER. IN APRIL, HARRIS FOUND A CLEAR MAJORITY OF THE PUBLIC STILL FAVORED THE CONTINUED OPERATION OF EXISTING NUCLEAR PLANTS IN THE U.S., EVEN BEFORE INVESTIGATIONS INTO THEIR SAFETY HAZARDS WERE COMPLETED (BY 57 TO 40 PERCENT).

9. INR - SOVIET AID: NOT A SERIOUS RESOURCE DRAIN (SECRET)

THE INCREASED SOVIET INVOLVEMENT IN VIETNAM, AFGHANISTAN, AND AFRICA AGAIN RAISES THE QUESTION OF WHETHER SOVIET ECONOMIC ACTIVITIES IN THE THIRD WORLD CREATE A SERIOUS ECONOMIC PROBLEM FOR THE USSR ITSELF. DESPITE THE EMERGENCE NOW OF SERIOUS STRAINS IN THE ECONOMY OF THE USSR, SOVIET ECONOMIC AND MILITARY "AID" PROBABLY DOES NOT REPRESENT A SIGNIFICANT RESOURCE DRAIN. FIRST, THE RESOURCES DEVOTED TO SO-CALLED AID CONSTITUTE A VERY SMALL PROPORTION OF THE USSR'S DOLS 1.2 TRILLION GNP--LESS THAN 0.5 PERCENT FOR ECONOMIC AND MILITARY AID COMBINED IN 1978. SECOND, MUCH OF WHAT IS CALLED AID IS IN FACT NORMAL ECONOMIC AND COMMERCIAL ACTIVITY.

TOTAL SOVIET ECONOMIC AID AGREEMENTS WITH NON-COMMUNIST LDCS IN 1978 ARE REPORTED BY CIA TO HAVE BEEN DOLS 3.5 BILLION. THIS EXCEPTIONALLY LARGE FIGURE REFLECTS THE MULTI-BILLION-DOLLAR PHOSPHATE DEAL THAT THE USSR CONCLUDED WITH MOROCCO AND THAT CONTAINS A LARGE TRADE COMPONENT. ACTUAL DRAWINGS OF ECONOMIC AID BY LDCS LAST YEAR WERE ONLY DOLS 430 MILLION. THREE LDCS OF PARTICULAR INTEREST IN THIS CONTEXT--AFGHANISTAN, ANGOLA, AND ETHIOPIA--RECEIVED VIRTUALLY NO ECONOMIC AID IN THE LAST THREE YEARS.

SOVIET MILITARY AID TO NON-COMMUNIST LDCS HAS BEEN MUCH
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RUFDAAA/USAREUR HEIDELBERG GE
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LARGER. AID AGREEMENTS CONCLUDED IN 1977 AND 1978 WERE DOLS 4 BILLION AND DOLS 1.8 BILLION, RESPECTIVELY. ACTUAL DELIVERIES TOTALED DOLS 3.3 BILLION IN 1977 AND DOLS 3.8 BILLION IN 1978. AGREEMENTS WITH ETHIOPIA, AFGHANISTAN, AND ANGOLA IN 1978 WERE DOLS 750 MILLION, DOLS 275 MILLION, AND DOLS 26 MILLION, RESPECTIVELY. ACTUAL DELIVERIES TOTALED DOLS 1 BILLION, DOLS 45 MILLION, AND DOLS 85 MILLION. (THERE HAS BEEN A SHARP UPTURN IN MILITARY DELIVERIES TO AFGHANISTAN IN RECENT MONTHS, HOWEVER.)

ONLY A SMALL PORTION OF ECONOMIC AND MILITARY AID REPRESENTS A NET DRAIN ON SOVIET RESOURCES. ECONOMIC AID DEALS ARE GENERALLY TRADE ARRANGEMENTS WHEREBY SOVIET GOODS SHIPPED NOW WILL BE REPAID IN SUBSEQUENT LDC EXPORTS TO THE SOVIET UNION. THE AID COMPONENT OF THESE AGREEMENTS LIES IN THE CONCESSIONARY CHARACTER OF THE TRANSACTION--MAINLY LONG REPAYMENT PERIODS AND LOW INTEREST RATES. SOME SO-CALLED AID IS NOT CONCESSIONARY AT ALL, SUCH AS ARMS SALES TO ARAB COUNTRIES FOR HARD CURRENCY (DOLS 1.5 BILLION-DOLS 2 BILLION IN 1978).

AMONG COMMUNIST LDCS, VIETNAM HAS BEEN PROMISED DOLS 2.5 BILLION IN SOVIET ECONOMIC AID--MOST OF IT APPARENTLY IN GRANTS IN 1976-80. MILITARY AID TO HANOI HAS RISEN SHARPLY SINCE THE VIETNAMESE INVASION OF KAMPUCHEA IN DECEMBER.

NOT RELEASABLE TO FOREIGN NATIONALS/NOT RELEASABLE TO CONTRACTORS OR CONTRACTOR-CONSULTANTS/WARNING NOTICE: SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED. THIS ITEM IS RDS-2

10. AF - CHAD: PROSPECTS GRIM (CONFIDENTIAL)

SINCE THE FOURTEEN-YEAR OLD CIVIL WAR MOVED TO THE STREETS OF N'DJAMENA LAST FEBRUARY, CHAD HAS BEEN WITHOUT GOVERNMENT OR RULED BY WEAK AND INEFFECTIVE COALITIONS. THE LATEST COALITION FORMED TWO WEEKS AGO APPEARS TO HAVE NO MORE CHANCE OF RESOLVING THE WAR THAN ITS PREDECESSORS.

OSTENSIBLY A COALITION OF NORTHERNERS AND SOUTHERNERS, THE NEW GOVERNMENT UNDER PRESIDENT LOL IS NEITHER REPRESENTATIVE NOR BALANCED. THE SOUTHERNERS IN THE GOVERNMENT HAVE LITTLE POPULAR FOLLOWING. SOUTHERN STRONGMAN LT. COL. KAMOUGUE HAS ENTERED INTO THE OPPOSITION AND HAS THREATENED TO PUT THE DE FACTO PARTITION OF THE COUNTRY ON A PERMANENT BASIS WITH CREATION OF AN INDEPENDENT "LOGONE REPUBLIC." IN NORTHERN AND CENTRAL CHAD, LIBYAN-SPONSORED REBELS CONTINUE TO HARASS THE POSITIONS OF REBEL LEADERS HABRE AND GOUKOUNI, NOW KEY MEMBERS OF THE NEW GOVERNMENT. DESPITE FRENCH SUPPORT, PRESIDENT LOL HAS FAILED TO WIN RECOGNITION FROM NIGER AND NIGERIA -- THE LATTER HAS CLOSED ITS FRONTIER AND DENIED VITAL POL. THE CHADIAN ECONOMY, NEVER STRONG, HAS VIRTUALLY CEASED TO FUNCTION. INSTABILITY MAY PREVENT INTERNATIONAL FOOD ASSISTANCE FROM CHECKING FAMINE THIS SUMMER. UNDER THE CIRCUMSTANCES, NEW, PERHAPS RADICAL GOVERNMENT CHANGES ARE INEVITABLE. NIGERIA HAS PROPOSED A NEW ROUND OF NATIONAL RECONCILIATION TALKS BEFORE THE END OF MAY.

WHILE U.S. INTERESTS IN CHAD ARE ESSENTIALLY HUMANITARIAN UNDER THE SAHEL DEVELOPMENT PROGRAM, CHAD'S NEIGHBORS HAVE EXPRESSED CONCERN THAT THE PRESENT INSTABILITY COULD SPILL OVER THE BORDERS. WE HAVE PROMOTED CHADIAN RECONCILIATION EFFORTS WHICH TAKE INTO ACCOUNT CHAD'S ETHNIC

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DIVERSITY AND TERRITORIAL INTEGRITY. WE HAVE ALSO SUPPORTED CHAD IN ITS ATTEMPTS TO FIND A NEGOTIATED SETTLEMENT OF ITS BORDER DISPUTE WITH LIBYA. LIBYAN ANNEXATIONIST AMBITIONS IN NORTHERN CHAD MAY EXTEND WELL BEYOND THE DISPUTED AOUZOU STRIP WHICH IT HAS MILITARILY OCCUPIED SINCE 1973. DESPITE THEIR EARLIER CONCERN, EGYPT AND SUDAN HAVE TAKEN A DISCREET DISTANCE FROM CHADIAN INTERNAL DEVELOPMENTS, BUT WOULD BE GRAVELY CONCERNED IF A PRO-LIBYAN FACTION CAME TO POWER IN N'DJAMENA. WITHOUT WESTERN ECONOMIC ASSISTANCE, THE POTENTIAL FOR LONG TERM INSTABILITY IN CHAD BECOMES A CERTAINTY. WE HOPE, THEREFORE, TO RESUME AID AND PEACE CORPS ACTIVITIES IN CHAD AS SOON AS SECURITY CONDITIONS PERMIT. VANCE
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BUREAU OF
INTELLIGENCE
AND RESEARCH

(U) EGYPT: SADAT'S MILITARY REQUIREMENTS AND FUNDING PROBLEMS

Summary

(C/NF) Arab sanctions imposed against Sadat since the signing of the Egyptian-Israeli peace treaty have resulted in the withdrawal of considerable Arab funds heretofore available to Cairo for financing arms purchases from Western Europe and the US. Tentative and confirmed purchases since 1976 are estimated at about $5.3 billion. The unavailability of Arab funds might affect 50 percent or more of this amount--including the F-5 deal with the US and a series of large contracts with France and the UK for major weapons systems.

(C/NF) Arab sanctions should not substantially degrade immediate Egyptian military capabilities. In the long term, however, Egypt's efforts to modernize its armed forces could be seriously affected.

(C/NF) Egypt could undertake a combination of measures to raise the funds necessary to fulfill existing contractual arrangements with the West:

--commercial borrowing, assuming that credit will be available without Arab backing;

--diversion of resources from civilian imports, a politically as well as economically dangerous task;

--cutbacks in the military modernization program which, if significant, could threaten Sadat's support within the armed forces; and

--requests to the US for additional aid.

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WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

Report No. 1209
July 2, 1979

(S/NF/NC) One possibility for meeting some of Egypt's arms requirements at a somewhat reduced cost may be through US or West European retrofitting or maintenance of existing Soviet military equipment--e.g., British overhaul of Soviet MiG-21 aircraft engines, Italian electronic countermeasures pods for MiG-21s, and US pressure testing of Soviet submarine hulls.

* * * * * *

(S) Withdrawal of Arab Funds

In mid-May, Saudi Defense Minister Prince Sultan announced that the Arab Industrial Organization (AIO)[1/] would be dissolved effective July 1. The essential purpose of this consortium, formed in 1975 by Egypt, Qatar, Saudi Arabia, and the United Arab Emirates, was twofold: to develop an arms industry in Egypt that in the first instance would help meet Cairo's own defense needs but that ultimately would constitute a source of arms supply for its members and other Arab states. From the outset, however, there seems to have been some doubt among the Gulf members that the AIO could succeed much beyond assisting Egypt in procuring military equipment for itself--particularly since the Gulf members appeared more inclined to continue the practice of making direct purchases from Western arms suppliers.

In any event, each of the Gulf states committed an initial outlay of $260 million, with the implication that additional funds could be provided as needed. (It is assumed that at least a substantial portion of the AIO's $780 million initial capitalization has been expended or is under nominal Egyptian control.) Egypt's own contribution took the form of existing arms plant facilities and the availability of its skilled labor force, the largest in the Arab world.

In addition to the AIO funds, Egypt has had more than $1 billion in undrawn pledges since 1974 from Persian Gulf countries for financing arms purchases. In the absence of any specific information recently on the status of this account, it is assumed that most of this money is no longer available to Egypt.

1/ Also reported as the Arab Organization for Industrialization and the Arab Military Industrial Organization.

(S/NF/NC) Purchases From Western Europe

Arms purchases tentatively or formally concluded by Egypt with Western Europe since 1976 total more than $2.9 billion,1/ mainly from France and the UK.

In addition, Egypt purchased during this period more than $120 million worth of arms from Communist countries, mainly from the PRC, which has already delivered 18 of the 40 F-6 (Chinese-built Soviet MiG-19) jet fighters contracted in late 1978.

AIO-Funded. At least $835 million in West European purchases are backed by the AIO. These include:

--almost $70 million from West Germany in machinery and technical assistance for the production in Egypt of artillery and antitank ammunition; and

--about $765 million from the UK, mainly for the production in Britain and later in Egypt of Lynx helicopters, Lynx engines, and Swingfire antitank guided missiles.

In addition, Egypt signed a letter of intent in 1978 to buy 160 Alpha ground attack jet aircraft to be assembled largely in Cairo. This deal is estimated at $800 million and was to be financed by the AIO. But evidence before the signing of the Egyptian-Israeli treaty indicated serious Egyptian concern over the Alpha deal, based on both cost considerations and doubts as to the performance of the aircraft. It would appear that the treaty has in effect terminated the deal as well as any AIO involvement.

Funded From Non-AIO Arab Sources. Egypt also signed several arms contracts with France and the UK estimated at almost $840 million: from the UK, $288 million in Ramadan missile boats and $7.2 million in helicopters; from France, $250 million mainly in Otomat naval missiles and Mirage jet fighters (possibly F-1s), $250 million in Crotale surface-to-air missiles, and $42 million in Mirage III and V fighters. These purchases were not financed through the AIO consortium

1/ All dollar statistics in this report on arms transfers include military equipment, ammunition, spare parts, logistical support, training, and licensed coproduction or assembly arrangements.

but presumably were to be paid partially or in full from the remaining $1 billion in undrawn Arab funds set aside for Egyptian military requirements.

Just prior to the treaty, Egypt reportedly contracted to buy 2-3 Lupo-class frigates from Italy for about $225 million. The original deal was signed in early 1978, with Saudi Arabia scheduled to pay all or most of the cost, but subsequently was cancelled by Cairo. It is not clear whether the frigate deal has now been formally renegotiated or whether renewed Egyptian interest, at least during the first quarter of 1979, reflected greater confidence on Cairo's part in Saudi financing. But even if the Lupo deal is active it hardly seems likely that any Arab funds will be forthcomin

Egyptian-Funded. The remaining $200 million or more in tentative or confirmed arms purchases from Western Europe since 1976 is to be paid entirely from Egyptian funds. This includes $50 million for German tank transporters, $50 million for Italian antisubmarine warfare torpedoes and electronic countermeasures (ECM) pods for aircraft, and more than $100 million for a variety of British equipment and services--from spare parts and ammunition to retooling of Soviet aircraft and refitting of Soviet-designed patrol craft into missile boats. As of the end of 1978, Egypt still owed about $100 million on outstanding deliveries on these contracts.

(S/NF/NC) Impact on European Purchases

The immediate problem raised by the withdrawal of Arab funds is the status of Egyptian arms purchases and production plans and the impact on Egypt's ability to complete its obligations on ongoing contracts.1/

1/ It is not possible to estimate the actual cash flow involved in the Egyptian arms purchases because complete information is not available on the terms and status of the contracts themselves--e.g., interest rates, down-payments, repayment period, discount rates. Therefore, the methodology used in the scenarios and projections below for assessing the potential dollar cost or gap to Egypt is based essentially on the total value of the agreements, minus the estimated value of deliveries still outstanding.

Scenario 1. On the basis of very sketchy information on the unfulfilled portions of the AIO-funded British and German contracts, Egyptian payments over the next 2 or 3 years are estimated at about $200-600 million. Presumably, some of the AIO's initial capitalization remains unused and could cover a portion of Cairo's contractual obligations to Bonn and London--if Egypt is successful in blocking Gulf withdrawal of the funds.

Scenario 2. However, Egypt might still require hundreds of millions of additional dollars to cover its own operating expenses on these projects. Thus, Cairo could need as much as $1.5 billion to complete the AIO projects.

Scenario 3. Other British and French contracts valued at $840 million and apparently funded directly by Persian Gulf countries raise Egypt's potential gap to $2.3 billion.

Scenario 4. The combined $1 billion French Alpha jet and Italian Lupo frigate deals probably have been shelved, and there is little if any hope for Arab financing. These purchases would raise the gap to more than $3 billion--not including the additional funds required to cover Cairo's operating expenses for Alpha production.

Arms Purchases From the US

(S) Prior to the Treaty. Purchases from the US concluded prior to the signing of the Egyptian-Israeli peace treaty come to about $870 million and include mainly 50 F-5 fighters, 20 C-130 transport aircraft, and the delivery as well as coproduction in Egypt of AMC jeeps. Some payment has already been made on C-130 and AMC deliveries. (US approval was also given for the sale of reconnaissance drones valued at about $66 million, but Egypt has not yet formally signed the contract.)

(S/NF/NC) Arab sanctions may also affect Egypt's arms purchases from the US. The F-5 purchase comes to about $525 million and was to be financed by Saudi Arabia. However, the recent Saudi decision not to pay for the F-5s because of the Egyptian-Israeli treaty now raises doubts as to the viability of the aircraft deal.

(S) The impact on the jeep deal is not as clear. The two AMC contracts, valued at more than $90 million, are commercial sales and do not involve Arab financing. The plant

involved in the assembly of the jeeps, however, is an AIO facility capable of assembling up to 50 vehicles a day. This plant opened in Cairo in December 1978, and another plant (presumably also under the AIO) capable of producing jeeps was scheduled to open in December 1979. Thus, the dissolution of the AIO might in the long run retard further progress on jeep production.

(S) Since the Treaty. Secretary of Defense Brown formally notified Egyptian Defense Minister Kamal Hassan Ali last March that, in the context of the Egyptian-Israeli peace treaty, the US was prepared to extend Egypt $1.5 billion in FMS credits over the next three years. A US team sent to Cairo to survey Egyptian arms requirements has recently returned; preliminary indications are that the Egyptians are intent on buying 35 F-4s, 2 Gearing-class destroyers, 12 I-Hawk SAM batteries, 800 M-113 armored personnel carriers, 1,200 trucks, and pressure testing of existing Soviet submarine hulls. The purchases, if finalized, would appear to use up the entire $1.5 billion in FMS credits.

Outlook

(C/NF) The totality of tentative and formally concluded arms purchases from Western Europe and the US (including the $1.5 billion in FMS credits) since 1976 comes to almost $5.3 billion. Completed deliveries and payment may run no more than one-fifth or roughly $1 billion of this amount.

(C/NF) The termination of Arab financing could jeopardize a substantial portion of the remaining $4 billion in outstanding deliveries, as shown below in millions of US dollars:

Option A	Option B
200 - 600 (Scenario 1)	1,500 (Scenario 2)
525 - 525 (F-5s)	525 (F-5s)
725 -1,125 (17%-28%)	2,025 (50%)

Option C	Option D
2,300 (Scenario 3)	3,000 (Scenario 4)
525 (F-5s)	525 (F-5s)
2,825 (70%)	3,525 (88%)

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(C/NF) Given the status of the French Alpha jet and Italian Lupo frigate deals, Option D seems unrealistic. On the other hand, Egypt probably wants to complete the AIO-funded British and German projects, find some means of financing the F-5 deal, and salvage at least one of the other French and British deals. Thus Egypt's dollar gap for paying for existing arms agreements may lie somewhere between Options B and C.

(C/NF) Egypt could undertake a combination of measures to raise the necessary funds:

--commercial borrowing, assuming that commercial credit will be available without Arab backing, a questionable proposition;

--diversion of resources from civilian imports, a politically as well as economically dangerous if not impossible task;

--cutbacks in the military modernization program which, if significant, could threaten Sadat's support within the military; and

--requests to the US for additional aid.

(S/NF/NC) One possibility for meeting some of Egypt's arms requirements at a somewhat reduced cost may be through US or West European retrofitting or maintenance of existing Soviet military equipment--e.g., British overhaul of Soviet MiG-21 engines, Italian electronic countermeasures pods for MiG-21s, and US pressure testing of Soviet submarine hulls.

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E.O. 12065 GDS 7/3/85 (GRIFFIN, PHILIP J.)

TAGS: EG, IS, PINR

SUBJECT: INTSUM 845 - JULY 3, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHODS INVOLVED
NOT RELASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-6 SECRET/NOFORN)

1. THE DOMESTIC OUTLOOK IN EGYPT: A RECENT CIA ANALYSIS CONCLUDES THAT PRESIDENT SADAT'S POPULARITY REMAINS HIGH WITHIN THE EGYPTIAN MILITARY AND AMONG THE MAJORITY OF EGYPTIANS, WHO SUPPORT THE PEACE TREATY WITH ISRAEL AND ANTICIPATE ECONOMIC BENEFITS FROM PEACE. OPPONENTS OF SADAT'S POLICIES ARE FOUND IN INFLUENTIAL SECTORS OF EGYPTIAN SOCIETY, BUT AT PRESENT THEY ARE NOT WELL ORGANIZED AND LACK THE LEADERSHIP TO ATTRACT MANY FOLLOWERS. SADAT'S DOMESTIC POSITION IS VULNERABLE TO REVERSES, HOWEVER, AND OVER THE NEXT YEAR SOME DECLINE IN HIS STANDING AT HOME APPEARS LIKELY. A SERIOUS THREAT TO SADAT'S

POLICIES AND POSITION COULD EMERGE IF POPULAR EXPECTATIONS FOR ECONOMIC PROGRESS ARE NOT REALIZED, OR IF THERE IS NO SIGNIFICANT PROGRESS IN THE AUTONOMY NEGOTIATIONS WITHIN THE ONE-YEAR TIME FRAME SADAT AND ISRAELI PRIME MINISTER BEGIN ENDORSED IN MARCH. TO FORESTALL THE GROWTH OF SUCH A THREAT, SADAT CAN BE EXPECTED TO TAKE ADDITIONAL AND POTENTIALLY MORE RISKY STEPS TO SUPPRESS HIS CRITICS.

2. [redacted] THE PEACE TREATY STRUCK A RESPONSIVE CHORD AMONG THE

MAJORITY OF EGYPTIANS, WHO ARE WEARY OF THE SUFFERING CAUSED BY PAST CONFLICTS WITH ISRAEL. EXPECTATIONS ARE HIGH, MOREOVER, THAT PEACE WILL BRING ECONOMIC IMPROVEMENTS. EGYPT'S MILITARY SHARES THESE HOPES OF ECONOMIC BENEFITS AND IS GRATIFIED BY THE RETURN OF THE SINAI PENINSULA AND BY THE REDUCED LIKELIHOOD OF A WAR WITH ISRAEL FOR WHICH IT IS UNPREPARED. ARMS DELIVERIES FROM THE US AND OTHER SOURCES WILL HELP TO SOOTHE CONCERNS IN THE ARMED FORCES ABOUT DETERIORATING AND OBSOLETE WEAPONRY.

3. SADAT, WILL NEED CLEAR PROGRESS IN THE NEGOTIATIONS WITH ISRAEL OR POSITIVE ECONOMIC DEVELOPMENTS TO FORESTALL A DETERIORATION IN HIS STANDING. SIGNIFICANT SUCCESSES IN THESE AREAS WILL BE DIFFICULT TO ACHIEVE, HOWEVER, BECAUSE OF THE SENSI VE NATURE OF WEST BANK-GAZA ISSUES, ISRAELI INTRANSIGENC , THE UNLIKELIHOOD OF AN EGYPTIAN RECONCILIATION WITH FELLOW ARABS, AND THE COMPLEXITY OF THE COUNTRY'S ECONOMIC PROBLEMS. IF THERE IS NO MOVEMENT IN THE NEGOTIATIONS, EGYPTIAN CRITICS OF THE PEACE TREATY WILL BECOME MORE ACTIVE AND VOCAL.

4. SADAT ALSO REMAINS VULNERABLE TO ASSASSINATION ATTEMPTS BY LOCAL OR, MORE LIKELY, FOREIGN RADICALS. SADAT'S SECURITY GENERALLY IS GOOD, BUT ATTEMPTS AGAINST HIS LIFE ARE A CONTIN'ING POSSIBILITY IN LIGHT OF ARAB ANGER OVER THE PEACE TREATY WITH ISRAEL. THE EGYPTIAN CONSTITUTIONAL PROCESS PROVIDES FOR NO AUTOMATIC SUCCESSOR, BUT VICE PRESIDENT HUSNI MUBARAK IS CLEARLY SADAT'S CHOICE AND WOULD LIKELY SUCCEED HIM UNLESS CIRCUMSTANCES CHANGE GREATLY. MUBARAK'S FOREIGN POLICY VIEWS ARE SIMILAR TO SADAT'S, AND HE PROBABLY WOULD ATTEMPT TO CONTINUE THE PEACE PROCESS WITH ISRAEL. SADAT'S DEATH WOULD HAVE A DESTABILIZING EFFECT IN EGYPT, HOWEVER, AND AN IMPORTANT SEGMENT OF EGYPTIANS COULD WELL ADVOCATE THE "SAFER" COURSE OF RETURNING TO THE ARAB FOLD.

5. ARAB SANCTIONS: ALTHOUGH REVENUES FROM OIL EXPORTS, TOURISM, SUEZ CANAL TOLLS, AND WORKER REMITTANCES FROM ABROAD HAVE ENABLED EGYPT SO FAR TO WITHSTAND ARAB ECONOMIC SANCTIONS WITH FEW OBVIOUS ILL EFFECTS, FURTHER ANTI-EGYPTIAN ACTIONS COULD PROVE ECONOMICALLY DAMAGING AND POLITICALLY DISRUPTIVE. MOVES TO EXPEL THE 600,000 EGYPTIAN WORKERS I' OTHER ARAB STATES OR TO BLOCK THEIR REMITTANCES WOULD SERIOUSLY DAMAGE EGYPT. CAIRO COULD LOSE A SUBSTANTIAL PORTION OF THE REMITTANCES THAT TOTALED DOLS 1.75 BILLION LAST YEAR AND WOULD FACE THE PROBLEM OF PROVIDING HOUSING AND JOBS FOR THOSE RETURNING. THE RANKS OF THOSE WHO QUESTION THE WISDOM OF SADAT'S PEACE INITIATIVE WOULD BE LIKELY TO SWELL IN

* US GOVERNMENT PRINTING OFFICE 1977—225-323

REACTION TO SUCH DEVELOPMENTS, AND THE ECONOMIC DISRUPTIONS COULD LEAD TO CIVIL DISTURBANCES. DISSIDENTS FROM THE RIGHT AND LEFT WOULD ATTEMPT TO EXPLOIT SUCH A SITUATION. EVEN WITHOUT THIS ISSUE, HOWEVER, THE OPPOSITION CAN BE EXPECTED TO PLAY UPON WIDESPREAD POPULAR CONCERNS ABOUT PRICES, LOW WAGES, AND INADEQUATE HOUSING.

6. SADAT WILL NEED CONTINUED AND STRONG US SUPPORT FOR EGYPT, BOTH MATERIALLY AND IN THE NEGOTIATING CONTEXT. IF EGYPTIANS PERCEIVED US SUPPORT OR RESOLVE TO BE WANING, THE WISDOM OF SADAT'S PEACE EFFORTS WOULD BE INCREASINGLY QUESTIONED AND HIS DOMESTIC SUPPORT WEAKENED.

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7. (C) EGYPT-SAUDI ARABIA: AMBASSADOR WEST REPORTS THAT DEPUTY FOREIGN MINISTER MANSOURI TOLD HIM IT WOULD TAKE AT LEAST TWO YEARS FOR THE PRESENTLY STRAINED EGYPTIAN-SAUDI RELATIONSHIPTONORMALIZE. IT WOULD REQUIRE A YEAR AFTER THE EXCHANGE OF AMBASSADORS WITH ISRAEL EIGHT MONTHS HENCE BEFORE RELATIONS COULD BEGIN TO HEAL. MANSOURI WAS ENCOURAGED THAT THE NEWSPAPER ATTACKS HAD CEASED AFTER AMBASSADOR EILT'S MEDIATION.

8. (U) SAUDI ARABIA-KHALID INTERVIEW: KING KHALID TOUCHED ON A NUMBER OF ISSUES IN A JUNE 30 INTERVIEW WITH A KUWAITI NEWSPAPER. THE KING ACKNOWLEDGED DIFFERENCES BETWEEN THE US AND SAUDI ARABIA ON THE PEACE PROCESS BUT SAID RELATIONS BETWEEN THE TWO "WERE STRONG AND BASED ON FRIENDSHIP, COOPERATION AND MUTUAL AND COMMON INTERESTS..." AND DENIED REPORTS OF US PRESSURE ON SAUDI ARABIA TO CHANGE ITS OPPOSITION TO THE TREATY OR TO EASE THE BOYCOTT AGAINST EGYPT. HE ADDED THAT HIS COUNTRY REGARDS "ZIONISM, COMMUNISM AND IMPERIALISM AS A TRIPARTITE ALLIANCE AGAINST THE ARAB AND ISLAMIC RIGHTS AND ASPIRATIONS..." AND REPEATED

THAT "THERE CAN BE NO PEACE OR STABILITY IN THE REGION WITHOUT RESTORATION OF PALESTINIAN NATIONAL RIGHTS AND REGAINING ALL THE OCCUPIED ARAB LAND AND JERUSALEM." FINALLY HE CRITICIZED SPECULATION ON MILITARY INTERVENTION IN THE ARABI[illegible] PENINSULA AREA AND SAID "THE ERA WHEN FORCE COULD BE [illegible]ED TO PROTECT INTERESTS HAS GONE FOR GOOD."

9. (U) BOUTROS GHALI-AUTONOMY TALKS: CAIRO'S MENA REPORTED ON JULY 2 THAT BOUTROS GHALI TOLD SEVERAL EGYPTIAN PEOPLE'S ASSEMBLY COMMITTEES THAT EGYPT WILL SUGGEST DIPLOMATIC ALTERNATIVES TO ACHIEVE WEST BANK AND GAZA AUTONOMY IF ISRAEL CONTINUES ITS "INTRANSIGENT" STAND AND AUTONOMY IS NOT ACHIEVED ONE YEAR AFTER THE CURRENT TALKS BEGAN. HE ALSO CALLED ON ISRAEL TO STOP ATTACKS ON PALESTINIANS IN LEBANON AND CRITICIZED ISRAELI

SETTLEMENT POLICY.

10. (U) SAUDI-OIL: THE SAUDI STATE RADIO REPORTED JULY 2 THAT THE ROYAL DIWAN ANNOUNCED THAT THE COUNTRY WAS INCREASING ITS OIL PRODUCTION TEMPORARILY IN THE INTERESTS OF THE WORLD ECONOMY'S HEALTH. NO AMOUNTS OR TIME PERIODS WERE MENTIONED. (PREVIOUS REPORTING INDICATES THAT UNDER CERTAIN CONDITIONS THE SAUDIS WERE CONSIDERING AN INCREASE OF 500,000 BARRELS PER DAY).

11. (C) LIBYA-OIL WEAPON: QADHAFI, IN A JULY 1 NEWS CONFERENCE IN KUWAIT, CLAIMED THAT A LIBYAN CUTOFF OF ITS OIL EXPORTS WOULD BE A "LEGITIMATE USE OF THE OIL WEAPON," BUT SAID IT WAS PREMATURE TO SAY WHEN THE DECISION WOULD BE MADE OR FOR HOW LONG SUCH A CUTOFF WOULD LAST. EMBASSY TRIPOLI COMMENTS THAT IN VIEW OF THE INTENSE REACTION TO HIS RHETORICAL "THREAT," QADHAFI MAY WELL BE EMBOLDENED TO CONTINUE EFFORTS TO KEEP THE US OFF-BALANCE. THE NEGATIVE REACTION OF THE STOCK MARKET HAS PROBABLY CONFIRMED TO HIM THAT THE US IS INCREASINGLY VULNERABLE TO LIBYAN INITIATIVES.

12. (U) ISRAEL-WEST BANK: PRESS REPORTS INDICATE THAT THE ISRAELI MILITARY AUTHORITIES HAVE GIVEN PERMISSION FOR BIR ZEIT UNIVERSITY ON THE WEST BANK TO REOPEN. THE UNIVERSITY HAS BEEN CLOSED SINCE MAY AFTER DEMONSTRATIONS AT THE UNIVERSITY AND THE SHOOTING OF A STUDENT BY ISRAELI VIGILANTES. THE PRESS REPORTS ALSO INDICATE THAT DEFENSE MINISTER WEIZMAN HAS RECONSIDERED PLANS TO PLACE NABLUS MAYOR SHAKA'A ON TRIAL FOR LEADING PEACEFUL DEMONSTRATIONS AGAINST ESTABLISHMENT OF THE CONTROVERSIAL SETTLEMENT OF ELON MOREH NEAR HISCITY. ISRAELI AUTHORITIES, ACCORDING TO THESE REPORTS, HAVE BEGUN TO FEAR THE REPERCUSSIONS THAT ANY SUCH TRIAL MIGHT HAVE. HOWEVER, OTHER PUNITIVE MEASURES AGAINST THE NABULSIS REMAIN IN EFFECT. ISRAEL'S CRACKDOWN ON THE WEST BANK IN RECENT MONTHS HAS DRAWN SOME FIRE FROM THE ISRAELI PRESS. ON JULY 2, HA'ARETZ'S ARABIC AFFAIRS CORRESPONDENT SAID THAT "CONTRARY TO HIS POLICIES IN HIS FIRST 18 MONTHS AS DEFENSE MINISTER, EZER WEIZMAN, HAS NOW BEEN APPROVING THE VERY TYPES OF ACTIONS HE USED TO OPPOSE ONLY A FEW MONTHS AGO--DEMOLITION OF HOUSES, CLOSURE OF SCHOOLS FOR LONG PERIODS OF TIME, LONG CURFEWS ON REFUGEE CAMPS, ETC. THE ARTICLE CHARGED THAT THE MILITARY ADMINISTRATION'S EXTREME REACTION TO DEMONSTRATIONS AND MEETINGS HAVE TURNED THE WEST BANK GRADUALLY FROM AN AREA UNDER MILITARY ADMINISTRATION TO A TERRITORY UNDER MILITARY OCCUPATION. DAVAR'S ARAB AFFAIRS CORRESPONDENT WROTE

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* U.S. GOVERNMENT PRINTING OFFICE 1977-225-323

AN ARTICLE GENERALLY AGREEING WITH THE ABOVE ANALYSIS.

13. (U) ISRAEL-ALLEGATIONS: AN EMBASSY TEL AVIV SPOKESMAN HAS PUT OUT A STRONG DENIAL TO ALL ISRAELI MEDIA STATING THAT NEITHER THE AIR ATTACHE DOR ANY OTHER OFFICIAL AMERICAN ATTENDED A CHAMPAGNE PARTY IN HONOR OF ISRAELI F-15 PILOTS CELEBRATING THE VICTORY OF ISRAELI JETS OVER SYRIAN AIRCRAFT. THE DENIAL WAS IN RESPONSE TO ISRAEL RADIO'S ENGLISH NEWS THE MORNING OF JULY 2, WHICH CARRIED AN ABC REPORT STATING THAT OUR AIR ATTACHE HAD ATTENDED SUCH A PARTY. HOWEVER, ONE BEIRUT PUBLICATION HAS ALREADY PICKED UP THE ERRONEOUS STORY.

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* U.S. GOVERNMENT PRINTING OFFICE 1977—225-323

NNNNVV ESB016BRA703
PP RUQMHR
DE RUEHC #2975/03 1850843
ZNY SSSSS ZZH
P 0402432 JUL 79
FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2400
RUEKJCS/DOD/ISA WASHDC PRIORITY
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S E C R E T FINAL SECTION OF 03 STATE 172975/03

14. (LOU) ISRAEL-LEBANON: REPORTS FRO; BEIRUT SAY THAT ISRAELI AND CHRISTIAN RIGHTIST ARTILLERY SHELLED TARGETS IN SOUTHERN LEBANON ON JULY 2. DEFENSE ATTACHE AND PRESS REPORTS INDICATE ISRAELI PLANES FLEW OVER LEBANESE TERRITORY AS WELL. LEBANESE NEWSPAPERS SAID THAT PRIME MINISTER AL-HUSS HAD URGED THE PALESTINIANS TO WITHDRAW FROM POPULATED AREAS OF SOUTHERN LEBANON AND TO REFRAIN FROM UNDERTAKING OPERATIONS THAT WOULD PROVOKE ISRAELI RETALIATION.

15. (U) LEBANON-;OVERNMENT: O; JULY 2, PRIME MINISTER AL-HUSS FORMALLY WAS ASKED BY PRESIDENT SARKIS TO FOR; A NEW GOVERNMENT ACCORDING TO REUTER. AL-HUSS TENDERED HIS GOVERNMENT'S RESIGNATION ON MAY 16 TO PAVE THE WAY FOR A GOVERNMENT OF NATIONAL UNITY BUT THE DEEP SPLITS AMONG LEBANON'S VARIOUS FACTIONS PREVENTED THIS. AL-HUSS IS EXPECTED TO EXPAND THE SIZE OF THE CABI'ET AND INCREASE THE NUMBER OF POLITICIANS, AS OPPOSED TO TECHNOCRATS, SERVING MINISTERS.

16. (U) LEØANON-SAUDI FUNDS: EMBASSY BEIRUT REPORTS THAT SAUDI AMBASSADOR ALI-SHA'IR PRESENTED PREMIER SALIM AL-HOSS WITH A CHECK FROM THE SAUDI GOVERNMENT FOR FIVE MILLION DOLLARS, JUNE 27, TO PROVIDE IMMEDIATE ASSISTANCE TO SOUTH LEBANON. IKE SAID THE FIVE MILLION WAS THE FIRST RESPONSE TO LAST MONTH'S PLEA BY AL-HOSS FOR DOLS 22 MILLION IN AID FOR THE SOUTH. ACCORDING TO PRESS REPORTS, SHA'IR ALSO TOLD HOSS THAT KING KHALID HAD ORDERED DOLS 16 MILLION BE SET ASIDE FOR RELIGIOUS AND PHILANTHROPIC SOCIETIES THAT ;WILL BENEFIT AS MANY LEBANESE AS POSSIBLE.

17. (C/NF) UNIFIL- ALY: A SOURCE OF OUR DEFENSE ATTACHE IN ROME HAS DESCRIBED THE MAKEUP OF A PLANNED ITALIAN CONTRIBUTION TO UNIFIL. THE GROUP, WHICH WILL LEAVE ITALY IN MID OR LATE JULY FOR AN UNDETERMINED PERIOD OF SERVICE WITH UNIFIL, CONSISTS OF FOUR HELICOPTERS,

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* U.S. GOVERNMENT PRINTING OFFICE: 1977-241 323

12 PILOTS AND 15 TECHNICIANS. CHRISTOPHER
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#2975

31 Jul 79 12 40Z

NNNNVV FSB040BRA685
PP RUQMBR
DE RUEHC #7339/01 2112358
ZNY SSSSS ZZH
P 3122282 JUL 79
FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUFATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2559
RUEKJCS/DOD/ISA PRIORITY
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S E C R E T SECTION 01 OF 04 STATE 197839/01

E.O. 12065: GDS 7/30/85 (ROBERTS, SAMUEL)

TAGS:EG, IS, PINR

SUBJECT: INTSUM 863 - JULY 30, 1979

LONDON FOR GLASPIE
PARIS FOR NICHOLAS MURPHY
DOD/ISA FOR RANSOM
OTHER ADDRESSEES FOR CHIEFS OF MISSION

WARNING NOTICE SENSITIVE SOURCES AND METHOD INVOLVED NOT RELEASABLE TO FOREIGN NATIONALS

(PARAGRAPHS 1-6 S/NF/NC)

1. SADAT'S CHALLENGE TO THE ISLAMIC MILITANTS: SADAT CONTINUES TO LAUNCH THINLY VEILED ATTACKS ON THE ISLAMIC RIGHT IN EGYPT. SOME POLITICIANS QUESTION WHETHER HE IS WISE TO GIVE OFFENSE TO A MOVEMENT WHICH HAS THE POTENTIAL TO BECOME A POWERFUL FOCUS OF OPPOSITION TO HIS GOVERNMENT. HOWEVER, HE CONTINUES TO BE SUPREMELY CONFIDENT OF HIS ABILITIES TO READ THE EGYPTIAN MOOD AND SHOWS NO FEAR OF THE MUSLIM FUNDAMENTALISTS.

2. THE FIRST SHOT IN THE PRESENT CAMPAIGN WAS SADAT'S STATEMENT LAST FEBRUARY WARNING THAT RELIGION HAD NO PLACE IN POLITICS, A WARNING THAT HE REITERATED THE NEXT MONTH. MORE RECENTLY, SADAT HAS:

(A) PROPOSED IMPORTANT CHANGES IN PERSONAL STATUS LAWS GIVING WOMEN MORE RIGHTS, PARTICULARLY IN SENSITIVE AREAS SUCH AS DIVORCE;

(B) TOUCHED ON THE NEED FOR UPGRADING FAMILY PLANNING PROGRAMS IN A MAJOR ADDRESS BEFORE THE PEOPLES ASSEMBLY;

(C) DISSOLVED THE STUDENT UNIONS AT ALL UNIVERSITIES IN A TRANSPARENT ATTEMPT TO END THEIR DOMINATION BY THE ISLAMIC SOCIETIES;

(D) URGED HIS RULING PARTY TO BECOME MORE INVOLVED IN ISLAMIC OBSERVANCES AND EDUCATION;

(E) CALLED FOR ISLAMIC EDUCATION TO BEGIN AT THE PRIMARY SCHOOL LEVEL; AND

(F) OFFERED ASYLUM TO THE SHAH.

3. THE LEADERS OF THE ISLAMIC RIGHT PERCEIVE THESE MOVES (CORRECTLY) AS AN EFFORT TO UNDERMINE THEIR APPEAL AND TO COOPT THEIR PROGRAMS. INITIALLY FAVORABLE TO SADAT BECAUSE HE CLOSED THE CONCENTRATION CAMPS IN WHICH THEY WERE INCARCERATED AND ALLOWED THEM TO OPERATE SEMI-OPENLY, THE ISLAMIC FUNDAMENTALIST LEADERS HAVE BECOME INCREASINGLY DISENCHANTED WITH HIM. THIS DISENCHANTMENT STEMS IN PART, OF COURSE, FROM THEIR DISLIKE OF A TREATY THAT DOES NOT PROMISE THE RECOVERY OF ARAB JERUSALEM NOR INSURE THE RIGHTS OF THEIR PALESTINIAN CO-RELIGIONISTS. BUT THEIR DISGRUNTLEMENT IS ALSO RELATED TO THE FACT THAT THEY ARE TRYING TO REDIRECT EGYPTIAN SOCIETY AWAY FROM "FOREIGN INFLUENCES" AND BACK TO A MORE RIGID INTERPRETATION OF ISLAM.

4. SADAT MAY BE RIGHT TO CALCULATE THAT THESE AMORPHOUS GROUPS DO NOT CONSTITUTE A CHALLENGE TO HIM. HOWEVER, A NUMBER OF RESPONSIBLE EGYPTIANS SEEM TO HAVE MISGIVINGS ABOUT SADAT'S STRATEGY. THE LEADER OF THE HAND-PICKED "LOYAL OPPOSITION," IBRAHIM SHUKRI, REMARKED RECENTLY THAT THE PRESIDENT IS SEEKING AN EARLY AND UNNECESSARY CONFRONTATION WITH THE RELIGIOUS RIGHT. SHUKRI WAS CRITICAL OF EFFORTS TO BAN ALL DETERMINED OPPOSITION FROM THE PEOPLES ASSEMBLY (INCLUDING SEVERAL SPOKESMEN FOR THE ISLAMIC RIGHT). HE BELIEVED THAT SADAT ERRED IN

AMENDING THE PERSONAL STATUS LAWS WITHOUT REFERENCE TO NORMAL LEGISLATIVE PROCEDURES.

5. TO DATE, HOWEVER, IT IS DIFFICULT TO POINT TO MUCH ISLAMIC OPPOSITION ACTIVITY OTHER THAN SOME INSTANCES OF UNREST WHICH OCCURRED AT SEVERAL UNIVERSITY CAMPUSES THIS SPRING. MOREOVER, AT ONE POINT, THE ISLAMIC LEADERSHIP WAS REPORTED TO BE BRACING FOR A GENERAL CRACKDOWN. THEIR FEARS MAY BE OVERBLOWN OR, AT LEAST, PREMATURE. SADAT CONTINUES TO PERMIT THE MUSLIM BROTHERHOOD'S PUBLICATION TO APPEAR AFTER A PERIOD OF SUSPENSION, AND HE HAS

NOT RESORTED TO OUTRIGHT STRONG-ARM TACTICS.

6. ISLAMIC FUNDAMENTALISTS WILL PROBABLY TRY TO ORGANIZE ACTIVE OPPOSITION TO SADAT ON CAMPUSES AGAIN THIS FALL BECAUSE THEIR STRENGTH IS RELATIVELY GREATER THERE THAN IN ANY OTHER SECTOR OF EGYPTIAN SOCIETY. HOWEVER, THEY DO NOT YET HAVE AN ISSUE AROUND WHICH TO RALLY WIDESPREAD OPPOSITION TO SADAT.

7. (S) ISRAEL-US-ARAB STATES: THE ISRAELI GOVERNMENT HAS OFFICIALLY OBJECTED TO SPECIFIC US MILITARY PROGRAMS IN SAUDI ARABIA AND JORDAN. THE ISRAELI EMBASSY IN WASHINGTON SAID ISRAEL OBJECTS TO THE PROGRAM FOR MODERNIZATION OF

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31 Jul 79 [illegible]Z

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PP RUOMHR
DE RUEHC #7839/02 2112359
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FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2560
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S E C R E T SECTION 02 OF 04 STATE 197839/02

THE SAUDI NATIONAL GUARD BECAUSE SAUDI ARMS COULD BE USED AGAINST ISRAEL, THE SAUDIS ARE OPPOSED TO THE PEACE PROCESS AND AN IRANIAN-STYLE PROBLEM IN SAUDI ARABIA WOULD MEAN THE WEAPONS WOULD FALL INTO RADICAL HANDS. THE ISRAELIS ARE MUCH MORE STRONGLY OPPOSED TO A US PLAN TO SELL M-60 TANKS TO JORDAN. THEY ARGUE IT WILL UPSET THE BALANCE OF POWER IN THE REGION AND COULD BE USED WITH SYRIAN AND IRAQI FORCES IN AN EASTERN FRONT.

8. (LOU) DROBLES PLAN-MEDIA REACTION: THE ARABIC PRESS, JERUSALEM POST AND JERUSALEM DOMESTIC SERVICES HAVE ALL REPORTED ON MATITYAHU DROBLES (HEAD OF THE WORLD ZIONIST ORGANIZATION SETTLEMENT DIVISION) PROPOSAL TO "RING NABLUS" WITH SETTLEMENTS. A JULY 27 EDITORIAL IN HA' ARETZ CONCLUDES THAT DROBLES' DEFIANT TONE SEEMS CALCULATED TO PROVOKE ANGRY WEST BANK REACTIONS.

9. (LOU) BURG-US-NEGOTIATIONS: THE JULY 27 JERUSALEM POST REPORTED THAT INTERIOR MINISTER BURG, WHO IS ALSO CHAIRMAN OF ISRAEL'S AUTONOMY NEGOTIATING TEAM, ATTACKED THE US ROLE IN THE CURRENT ROUND OF NEGOTIATIONS. "THE US DOES NOT STAND IN THE EXACT MATHEMATICAL MIDDLE BETWEEN THE TWO SIDES," HE TOLD A PUBLIC GATHERING, "THEY DIFFERENTIATE BETWEEN THE HOLY PLACES AND THE OILY PLACES." BURG REITERATED CURRENT GOVERNMENT POLICY TO PUSH AHEAD WITH

SETTLEMENTS AS FAST AS POSSIBLE. HE HINTED AT FLEXIBILITY IN THE TALKS SAYING ISRAEL CAN'T GIVE WHAT THE ARABS WANT BUT WHAT ISRAEL WANTS TO GIVE IS NOT ENOUGH FOR THE ARABS. HE WAS ADAMANT THAT AUTONOMY WOULD NOT LEAD TO A PALESTINIAN STATE SAYING THAT HE, AS INTERIOR MINISTER, WAS APPOINTED HEAD OF THE ISRAELI TEAM BECAUSE THE NEGOTIATIONS ARE AN INTERNAL MATTER. AN AIDE TO BURG TOLD EMBASSY TEL AVIV THAT THE US SHOULD NOT TAKE THE ARTICLE AS "A SERIOUS CRISIS OF CONFIDENCE" BUT SAID BURG WAS CONCERNED ABOUT MENTION BY AMBASSADORS STRAUSS AND LEONARD OF INITIATIVES ON THE JERUSALEM ISSUE.

10. (C/NF) ISRAEL-CLUSTER BOMBS: A SOURCE IN THE ISRAELI MINISTRY OF DEFENSE TOLD OUR DEFENSE ATTACHE IN TEL AVIV THAT AN ISRAELI PLANT IS BEGINNING THE MANUFACTURE OF CLUSTER BOMBS. THERE ARE FOUR VERSIONS OF THE BOMB AND THE ISRAELI AIR FORCE WANTS THE WEAPON MOUNTED ON ITS F-15S AND F-16S. THE BOMB HAS ALREADY BEEN QUALIFIED FOR USE ON THE A-4, F-4 AND KFIR.

11. (U) ISRAEL-LIKUD: REUTER REPORTED JULY 27 THAT THE LIBERAL PARTY HAS THREATENED TO WITHDRAW FROM THE LIKUD COALITION UNLESS NEW ECONOMIC POLICIES ARE ADOPTED WITHIN 90 DAYS. THE LIBERAL PARTY CENTRAL COMMITTEE REPORTEDLY INSTRUCTED ITS FOUR MEMBERS WHO ARE CABINET MINISTERS TO PERSUADE THEIR COLLEAGUES TO ACCEPT THE ECONOMIC PROPOSALS OF FELLOW LIBERAL AND FINANCE MINISTER SIMCHA EHRLICH. AN ISRAELI PRESS REPORT SAID ONLY THAT ECONOMIC POLICIES WERE TO BE STUDIED FOR 90 DAYS BUT DID NOT MENTION A THREAT OF WITHDRAWAL FROM THE LIKUD.

12. (C) ISRAEL-US-RESOLUTION 242: AN ISRAELI FOREIGN MINISTRY OFFICIAL CONVEYED TO EMBASSY TEL AVIV JULY 27 THE ISRAELI GOVERNMENT'S CONCERN OVER PROBABLE SECURITY COUNCIL CONSIDERATION OF A RESOLUTION TO AMEND 242. ISRAEL IS CONFIDENT THAT THE ARABS WILL MAKE SUCH AN EFFORT. HE SAID THAT US ACCEPTANCE OF ANY SUCH CHANGE, FOR EXAMPLE INSERTION OF "SELF-DETERMINATION" OR "LEGITIMATE RIGHTS" WOULD BE INTERPRETED BY ISRAEL AS A FUNDAMENTAL SHIFT IN THE US POSITION AND WOULD HAVE SERIOUS REPERCUSSIONS ON THE PEACE PROCESS AND THE AUTONOMY TALKS. HE PRESSED FOR AN EARLY STATEMENT OF THE US POSITION ON SUCH AN ALTERATION OF LANGUAGE.

13. (U) ISRAEL-US-PLO: RETURNING TO ISRAEL FROM THE NETHERLANDS JULY 27, DAYAN TOLD A JERUSALEM RADIO REPORTER THAT, IN HIS OPINION, THE US IS PLEDGED TO HONOR ITS PREVIOUS COMMITMENT, NAMELY THAT THE US "WOULD NOT MAINTAIN CONTACTS WITH THE PLO BEFORE THE PLO RECOGNIZES

RESOLUTION 242." DAYAN SAID THE MOST RECENT US PLEDGE TO THIS EFFECT CAME IN THE SIGNING OF THE BILATERAL AGREEMENT WHICH ACCOMPANIED THE PEACE AGREEMENT. THE NEWSPAPER YEDIOT AHARONOT SAID JERUSALEM VIEWS "WITH CONCERN" MR. SAUNDERS' STATEMENT ABOUT "WASHINGTON INTENTIONS" TO HOLD INFORMAL TALKS WITH THE PLO. THE STATEMENT IS TANTAMOUNT TO PREPARING THE GROUND FOR OFFICIAL DISCUSSIONS WITH THE PLO, THE PAPER SAID.

14. (S) BRANDT-MEETING WITH ARAFAT: FORMER WEST GERMAN

CHANCELLOR BRANDT WAS WELL PLEASED WITH THE RESULTS OF HIS EARLY JULY MEETINGS WITE PLO LEADER YASSIR ARAFAT IN VIENNA. BRANDT FEELS ARAFAT HAS SHIFTED HIS THINKING TOWARD A MORE FLEXIBLE POSITION ON NEGOTIATIONS WITH ISRAEL. (THE FRG FOREIGN MINISTRY WAS MORE RESERVED IN ITS ASSESSMENT, BELIEVING ARAFAT HAD CONCEDED LITTLE IN EXCHANGE FOR A WELL PUBLICIZED VISIT WITH KREISKY AND BRANDT.) BRANDT NOTED, IN A SUMMARY HE HIMSELF PREPARED OF HIS TALKS WITH ARAFAT, THAT:

(A) ARAFAT CLAIMED THAT THE PLO NEVER IN ANY WAY BACKED THE DESTRUCTION OF ISRAEL.

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31 Jul 79 [illegible] 412

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PP RUQMHR
DE RUEHC #7839/03 2120001
ZNY SSSSS ZZE
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FM SECSTATE WASHDC
TO INTSUM COLLECTIVE PRIORITY
INFO RUEATRS/ TREASURY DEPARTMENT WASHDC PRIORITY 2561
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S E C R E T SECTION 03 OF 04 STATE 197839/03

(B) THE PLO WANTS SELF-DETERMINATION FOR A FREE STATE COMPRISING THE WEST BANK AND GAZA.

(C) ARAFAT BELIEVES A GENEVA MEETING, INCLUDING THE SOVIETS, IS THE BEST MEANS TO ACHIEVE A SETTLEMENT, AND EXPRESSED HIS WILLINGNESS FOR UN TROOPS TO BE SITUATED ON PALESTINIAN SOIL AS LONG AS MIGHT BE NECESSARY.

(D) ARAFAT FEELS THAT ISRAEL AND THE ARAB STATES CAN WORK TOGETHER WELL AND THAT ISRAEL CAN PLAY AN IMPORTANT ROLE IN THE MIDDLE EAST.

(E) THE SIZE OF THE PALESTINIAN STATE IS NOT IMPORTANT; WHAT IS IMPORTANT IS THAT THE PALESTINIANS HAVE THEIR OWN PASSPORTS.

(F) ARAFAT EXPRESSED HIS WILLINGNESS TO HELP PROTECT THE JEWISH COMMUNITY IN IRAN.

(PARAGRAPHS 15-18 UNCLASSIFIED)

15. US-ARABS-PALESTINIANS: PLO OFFICIAL SALAH KHALAF SAID IN AN INTERVIEW WITH A KUWAITI NEWSPAPER THAT THE PLO HAS SPOKEN TO ARAB OIL PRODUCERS ABOUT REDUCING OIL PRODUCTION 30 TO 40 PERCENT TO MAKE THE WORLD FEEL THAT A SOLUTION TO THE PALESTINIAN PROBLEM MUST BE FOUND.

KHALAF SAID OIL LEVERAGE HAS NOT BEEN EFFECTIVELY USED SO FAR.

16. SAIQA-MUHSIN ASSASSINATION: A LEBANESE NEWSPAPER JULY 27 SAID SAMI ATTARI WILL BECOME THE NEW HEAD OF SAIQA, FOLLOWING THE DEATH OF ZUHAIR MUHSIN. ATTARI HEADED SAIQA ONCE BEFORE AND IS A MEMBER OF THE SYRIAN BAATH PARTY'S NATIONAL COMMAND. WHILE THE PLO CONTINUES PUBLICLY TO BLAME ISRAEL FOR MUHSIN'S DEATH, A SAIQA SPOKESMAN SAID THERE WAS COOPERATION BETWEEN EGYPT AND

ISRAEL AND HAS VOWED REVENGE ON BOTE.

17. SOUTHERN LEBANON-PALESTINIANS: THE JORDANIAN NEWSPAPER AR-RAY REPORTED JULY 27 THAT "KNOWLEDGEABLE SOURCES" SAID THE PALESTINIAN GUERRILLAS HAVE AGREED TO THE LEBANESE GOVERNMENT REQUEST TO WITHDRAW NORTH OF THE LITANI RIVER IN SOUTHERN LEBANON. WE HAVE NO CONFIRMATION OF THIS. ON JUNE 5, THE PALESTINIAN AND LEBANESE LEFTISTS PROMISED TO ALTER THEIR PRESENCE IN SOUTHERN LEBANON, INCLUDING WITHDRAWAL FROM POPULATED AREAS, HOWEVER THEIR ACTUAL PRESENCE DID NOT CHANGE IN THE SOUTH AND, IN FACT, INCREASED IN SOME AREAS.

18. (U) UNIFIL-ISRAEL: OUR DEFENSE ATTACHE IN DUBLIN REPORTS THAT AN ARTICLE APPEARED IN THE IRISH TIMES ON JULY 26 IN WHICH THE COMMANDER OF THE IRISH BATTALION ASSIGNED TO UNIFIL STATED THAT THE PALESTINIANS AND LEFT-WING LEBANESE HAVE SPORADICALLY INFILTRATED THROUGH RIGHT-WING LINES BUT HAVE CAUSED SUBSTANTIALLY FEWER INCIDENTS INVOLVING UNIFIL THAN THE COMBINED ACTIVITIES OF THE RIGHT-WING MILITIA AND ISRAELIS. THE ARTICLE CONCLUDED BY QUOTING A "VERY SENIOR UN OFFICER" AS STATING THAT ,THE ACTION OF THE ISRAELIS AND THE RIGHT-WING ARE THE BEST POSSIBLE ADVERTISEMENT FOR PEOPLE IN THE AREA TO JOIN THE PLO." THE IRISH CONTINGENT REMAINS IN A TENSE CONFRONTATION WITH HADDAD'S FORCES AT THE VILLAGE OF BEIT YAHUN IN THE IRISH SECTOR OF OPERATIONS.

19. (LOU) LEBANON-SHELLING: BEIRUT RADIO REPORTS THAT ISRAEL AND HADDAD'S MILITIAS SHELLED THE TOWN OF HASBAYYA ON JULY 28. ACCORDING TO THE REPORT, THE SHELLING DAMAGED THE GOVERNOR'S OFFICE, SEVERAL OTHER GOVERNMENT BUILDINGS AS WELL AS A NUMBER OF RESIDENCES. SOME CASUALTIES WERE REPORTED TO HAVE OCCURRED. RECENTLY, WALID JUMBLATT COMPLAINED TO EMBASSY BEIRUT ABOUT THE CONTINUED SHELLING OF THIS LARGELY DRUZE TOWN.

20. (U) ISRAEL-LEBANON: CAIRO RADIO REPORTED JULY 29 THAT THE ISRAEL DEFENSE FORCES WERE CONCENTRATING NEAR THE LEBANESE BORDER ON THE COAST. WE HAVE NO INFORMATION SUPPORTING THIS.

21. (U) IRAQ-ARRESTS: THE BEIRUT DAILIES, AL-NAHAR AND AL-SAFIR, REPORT THAT AT LEAST 250 MEMBERS OF THE IRAQI BAATH PARTY HAVE NOW BEEN ARRESTED IN WHAT IS INCREASINGLY SEEN AS A MAJOR PARTY PURGE. AL-SAFIR STATES THAT THE ARRESTED INCLUDE 50 MILITARY OFFICERS, 70 BAGHDAD-BASED PARTY LEADERS, 32 REGIONAL PARTY CHIEFS AND 8 TRADE UNION LEADERS. BOTH PAPERS CLAIM THAT "AN UNIDENTIFIED ARAB

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TO RUEHEG/AMEMBASSY CAIRO IMMEDIATE 3256
INFO ALL NEAR EASTERN AND SOUTH ASIAN DIPLOMATIC POSTS IMMEDIATE
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C O N F I D E N T I A L STATE 206988

EXDIS

E.O. 12065 GDS 8/8/85 (ERNER, MICHAEL)

TAGS: PINT

SUBJECT: KHALIL'S QUERY ABOUT SENATOR STONE'S STATEMENTS

REF: CAIRO 16023 NOTAL

1. (C - ENTIRE TEXT)

2. YOU MAY TELL KHALIL THAT THE SECRETARY TOLD SENATOR STONE WE WOULD HAVE NO OBJECTION IF HE MADE THE FOLLOWING PUBLIC STATEMENTS:

A. THE UNITED STATES WOULD VETO THE DRAFT THAT THE KUWAITI PERMANENT REPRESENTATIVE HAS PUT FORWARD.

B. IN ORDER FOR A RESOLUTION TO BE ACCEPTABLE TO US IT MUST CONTAIN EXPLICIT AFFIRMATION OF SECURITY COUNCIL RESOLUTIONS 242 AND 338 AND EXPLICIT ACCEPTANCE OF ISRAEL'S RIGHT TO LIVE IN PEACE WITHIN SECURE AND RECOGNIZED BORDERS.

3. SECRETARY DID NOT AUTHORIZE ANY OTHER STATEMENTS, AND YOU MAY ASSURE KHALIL THAT ANYTHING ELSE SENATOR STONE MAY HAVE SAID WAS ENTIRELY ON HIS OWN BEHALF.

4. IF QUERIED BY HOST GOVERNMENTS, OTHER ADDRESSEES MAY

DRAW ON THIS GUIDANCE FOR THEIR RESPONSE. VANCE
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VV ESA935MRA592
RR RUQMHR
DE RUEHMO #5864/01 2880906
ZNY CCCCC ZZH
R 152111Z OCT 79 ZDK CTG MULTIPLE SVCS
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC 2774
INFO RUEHLG/AMCONSUL LENINGRAD 7362
RUDKSB/AMEMBASSY BELGRADE 5320
RUDKAR/AMEMBASSY BUCHAREST 5708
RUEHOL/AMEMBASSY BONN 8287
RUEHNA/USMISSION USNATO 7369
RUEHAM/AMEMBASSY AMMAN 1807
RUEHAD/USINT BAGHDAD 0387
RUQMBE/AMEMBASSY BEIRUT 1778
RUEHEG/AMEMBASSY CAIRO 2233
RUEHDM/AMEMBASSY DAMASCUS 1163
RUQMRA/AMEMBASSY JIDDA 1467
RUDTC/AMEMBASSY LONDON 0944
RUFRPS/AMEMBASSY PARIS 7936
RUQMZN/USMISSION SINAI 0168
RUQMHR/AMEMBASSY TEHRAN 8254
RUEHTV/AMEMBASSY TEL AVIV 2883
RUQMTI/AMEMBASSY TRIPOLI 0552
RUEHDT/USMISSION USUN NEW YORK 8222
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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 23964

POL
CHRG
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E.O. 12065: RDS-1 10/15/79 (TOON, MALCOLM) OR-M
TAGS: PEPR, EG, UR
SUBJECT: (U) SOVIET/EGYPTIAN RELATIONS

REFS: A. CAIRO 19812, B. CAIRO 20641, C. STATE 251855,
D. MOSCOW 22813

1. (C-ENTIRE TEXT)

2. SUMMARY. FROM OUR PERSPECTIVE IN MOSCOW, SOVIET/EGYPTIAN RELATIONS REMAIN CORRECT, BUT FAR FROM CORDIAL AND THE TIES BETWEEN THE TWO COUNTRIES ARE MINIMAL. THERE IS NO EVIDENCE OF A NEW MILITARY SUPPLY RELATIONSHIP AND THE LEVEL AND CONTENT OF THE DIALOGUE ON MIDDLE EAST ISSUES REMAIN VERY LIMITED BETWEEN THE SOVIETS AND EGYPTIANS. CONTRARY TO PERSISTENT LOCAL RUMORS THAT AN EGYPTIAN AMBASSADOR WOULD BE SENT TO MOSCOW, NONE HAS AND THE NEW CHARGE HAS ARRIVED. WE ARE TOLD THAT SADAT PERSONALLY OPPOSES POSTING AN AMBASSADOR TO MOSCOW, DESPITE SOVIET URGINGS TO DO SO AND THE EGYPTIAN FOREIGN MINISTRY'S ADVOCACY OF SUCH A MOVE. CONCERNING U.S./EGYPTIAN RELATIONS, SOVIETS QUESTION PURPOSE AND VALUE OF U.S. MILITARY ASSISTANCE TO EGYPT IN VIEW OF WHAT SOVIETS PERCEIVE AS EGYPT'S DIMINISHED SECURITY NEEDS AS A RESULT OF EGYPTIAN/ISRAELI PEACE TREATY. END SUMMARY.

3. DESPITE OCCASIONAL TENUOUS INDICATIONS OF MOVE[illegible] AN IMPROVEMENT IN THE RELATIONSHIP, THERE HAS NOT [illegible]Y SIGNIFICANT FORWARD MOVEMENT IN SOVIET/EGYPTIAN RELATIONS DURING THE LAST FEW MONTHS. EGYPTIAN EMBASSY CONTACTS INFORM US THAT THE LEVEL OF CONTACTS WITH SOVIET OFFICIALS IN MOSCOW HAS NOT IMPROVED RECENTLY. FOR EXAMPLE, AT THE EGYPTIAN NATIONAL DAY RECEPTION ON OCTOBER 6, THE HIGHEST RANKING SOVIET OFFICIAL WAS THE MFA'S EGYPTIAN DESK OFFICER.

4. AHMED ABOUL GHEIT (PROTECT), NEWLY ARRIVED FIRST SECRETARY OF THE EGYPTIAN EMBASSY, TOLD EMBOFF OF HIS RATHER FRUITLESS INITIAL CALL ON THE EGYPTIAN DESK OFFICER AT THE MFA. GHEIT SOUGHT TO HAVE A TOUR D'HORIZON ON MIDDLE EAST ISSUES AND TO INITIATE A DIALOGUE, BUT HE WAS SILENTLY REBUFFED. THE SOVIET DESK OFFICER "POLITELY LISTENED WHILE GAZING AT THE CEILING" AND MADE ONLY TWO SUBSTANTIVE COMMENTS: NAMELY, THAT IT APPEARS THAT EGYPT IS SUFFERING SERIOUS ECONOMIC PROBLEMS, AND THAT IT IS UP TO EGYPT TO SETTLE ITS REGIONAL PROBLEM IN AGREEMENT WITH ITS "ARAB BROTHERS". IN TERMS OF ON-GOING PROGRAMS, GHEIT SAID THAT THE EGYPTIAN/SOVIET CULTURAL PROTOCOL WILL COME UP FOR RENEGOTIATION SOON AND THAT THE PROGNOSIS IS THAT IT WILL BE RENEWED WITHOUT FANFARE AND WITHOUT ANY IMPORTANT CHANGE IN CONTENT. THE TRADE PROTOCOL EXPIRED IN 1977, BUT COMMERCIAL TRANSACTIONS PROCEED WITHOUT IT.

5. ON THE POLITICAL FRONT, NO NEW POLITICAL INITIATIVES ARE PLANNED FROM THE EGYPTIAN SIDE AND THE EGYPTIANS EXPECT NO MAJOR MOVES FROM THE SOVIET SIDE. DESPITE PERSISTENT RUMORS THROUGH THE SUMMER THAT NEW EGYPTIAN AMBASSADOR WOULD BE SENT TO MOSCOW, THIS HAS NOT HAPPENED AND A NEW CHARGE D'AFFAIRES ARRIVED IN SEPTEMBER. THE SOVIETS, WHO HAVE AN AMBASSADOR IN CAIRO, ARE CONTINUALLY URGING THE EGYPTIANS TO RAISE THEIR REPRESENTATION TO THE AMBASSADORIAL LEVEL. ACCORDING TO THE EGYPTIANS, THE SOVIETS FOR PURPOSES OF PRESTIGE AND PROTOCOL WANT EGYPT, GIVEN ITS IMPORTANCE IN THE ARAB WORLD, TO BE REPRESENTED AT THE AMBASSADORIAL LEVEL. ACCORDING TO OUR EGYPTIAN EMBASSY SOURCES, THE EGYPTIAN FOREIGN MINISTRY ALSO ADVOCATES AMBASSADORIAL REPRESENTATION AND ARGUES THAT THERE IS NO NET GAIN FOR EGYPT IN HAVING ONLY A CHARGE IN MOSCOW. RE-
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INFO RUFHLG/AMCONSUL LENINGRAD 7363
RUDKPB/AMEMBASSY BELGRADE 5321
RUDKAR/AMEMBASSY BUCHAREST 5709
RUFHOL/AMEMBASSY BONN 8288
RUFHNA/USMISSION USNATO 7370
RUEHAM/AMEMBASSY AMMAN 1808
RUEHAD/USINT BAGHDAD 0388
RUQMBE/AMEMBASSY BEIRUT 1779
RUEHEG/AMEMBASSY CAIRO 2234
RUEHDM/AMEMBASSY DAMASCUS 1164
RUQMRA/AMEMBASSY JIDDA 1468
RUDTC/AMEMBASSY LONDON 0945
RUFHPS/AMEMBASSY PARIS 7937
RUQMZN/USMISSION SINAI 0169
RUQMHR/AMEMBASSY TEHRAN 0255
RUEHTV/AMEMBASSY TEL AVIV 2884
RUQMTI/AMEMBASSY TRIPOLI 0553
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LATIONS, THE MINISTRY ARGUES, WILL BE MINIMAL WITH OR WITHOUT AN AMBASSADOR, BUT AN AMBASSADOR MIGHT HAVE IMPROVE ACCESS IN MOSCOW, THEREBY RELIEVING SOMEWHAT THE RELATIVELY ISOLATED POSITION OF THE EGYPTIAN EMBASSY HERE.

6. THERE ARE IN FACT REPORTS IN THE DIPLOMATIC COMMUNITY THAT WHEN AND IF THE SOVIET CRITICISM OF SADAT SUBSIDES AND THE SITUATION QUIETS DOWN, AN AMBASSADOR WILL BE POSTED TO MOSCOW. HOWEVER, OUR EGYPTIAN EMBASSY SOURCES TELL US THAT THIS DECISION WILL DEPEND ON ANWAR SADAT ALONE AND THAT SO FAR HE REMAINS ADAMANTLY OPPOSED TO THE IDEA IN VIEW OF THE SOVIET GOVERNMENT'S HOSTILE ATTITUDE TOWARD HIM, ESPECIALLY IN THE WAKE OF THE CAMP DAVID ACCORDS AND THE EGYPTIAN/ISRAELI PEACE TREATY.

7. ONE DISQUIETING NOTE IS THAT THE NEW EGYPTIAN CHARGE, HASSAN KANDIL, HAS REPORTEDLY BEEN REMARKING TO WESTERN DIPLOMATIC COLLEAGUES THAT HE EXPECTS THAT, WITHIN A FEW MONTHS, THE CAMP DAVID PROCESS WILL FAIL, AND THAT SADAT WILL THEN SHIFT BACK TO A POLICY THAT WILL LEAD TO AN IMPROVEMENT IN SOVIET/EGYPTIAN RELATIONS. WE HAVE NOT YET ENCOUNTERED KANDIL AND THIS IS NOT A LINE OTHER NEW OFFICERS ON HIS STAFF, INCLUDING GHEIT AND NEW POLITICAL COUNSELOR WAHBA, HAVE EVEN HINTED AT IN CONVERSATIONS WITH US. (WOULD APPRECIATE RECEIVING ANY INFORMATION DEPARTMENT OR EMBASSY CAIRO MAY HAVE ON HASSAN KANDIL.)

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8. CONCERNING THE SOVIET/EGYPTIAN MILITARY SUPPLY RELATIONSHIP, OUR EGYPTIAN CONTACTS HAVE DENIED THAT THERE ARE ANY NEW OR SIGNIFICANT SOVIET MILITARY SHIPMENTS TO EGYPT (REFTEL D) OR THAT A NEW SUPPLY RELATIONSHIP HAS BEEN ESTABLISHED. IT SEEMS THAT SHIPMENTS OF SMALL QUANTITIES OF SOVIET SPARE PARTS MAY BE PART OF LIMITED COMMERCIAL ARRANGEMENTS AND THAT EGYPT DOES RECEIVE SPARE PARTS AND MILITARY SUPPLIES FOR THEIR SOVIET EQUIPMENT FROM SOME OTHER EASTERN EUROPEAN COUNTRIES. ONE OF OUR EGYPTIAN CONTACTS MENTIONED ROMANIA AND YUGOSLAVIA, BUT WE HAVE NO CONFIRMATION OF THIS.

9. ONE MATTER OF GROWING CONCERN TO THE SOVIETS, AS REFLECTED IN REMARKS TO US AND BY RECENT PRESS ARTICLES, IS THE MILITARY SUPPLY RELATIONSHIP BETWEEN THE U.S. AND EGYPT AND THE BASIC POLITICO/MILITARY PURPOSES OF SUCH ASSISTANCE. PAVEL AKOPOV, THE FIRST DEPUTY CHIEF OF THE NEAR EAST DEPARTMENT, IN A DISCUSSION ON ME ISSUES WITH EMBOFF, QUESTIONED U.S. AIMS IN ARMING EGYPT AND CLAIMED THAT SINCE THERE IS NOW A PEACE TREATY BETWEEN EGYPT AND ISRAEL, EGYPT'S GROWING MILITARY PREPAREDNESS MUST BE DIRECTED TOWARD OTHER NEIGHBORING ARAB STATES AND, POSSIBLY, CERTAIN AFRICAN STATES. EMBOFF REFERRED TO THE IMPORTANT MILITARY SUPPLY RELATIONSHIP BETWEEN THE SOVIET UNION AND A NUMBER OF ARAB STATES AND REPLIED THAT EGYPT WAS EXERCISING THE RIGHT OF EVERY SOVEREIGN STATE TO ASSURE WHAT IT PERCEIVED TO BE ITS LEGITIMATE DEFENSE REQUIREMENTS. AKOPOV EXPRESSED HIS SKEPTICISM STATING THAT IT IS IRONIC THAT THE SIGNING OF A PEACE TREATY LEADS TO REARMAMENT AND IMPLIED THAT HE THOUGHT EGYPT WAS PREPARING ITSELF FOR SOME POLITICO-MILITARY ROLE IN THE REGION. HE DID NOT GO AS FAR AS SOVIET PRESS CHARGES THAT EGYPT IS IN COLLUSION WITH ISRAEL AND THE U.S. TO PLAY A GENDARME ROLE IN THE MIDDLE EAST, BUT THIS WAS CLEARLY THE THRUST OF HIS REMARKS.

10. THIS CONCERN ON THE PART OF THE SOVIETS IS PROBABLY FOSTERED, IN PART, BY WESTERN PRESS REPORTS ON U.S./EGYPTIAN MILITARY COOPERATION; AND ESPECIALLY BY RECENT ARTICLES LIKE CHRISTOPHER WREN'S IN THE NEW YORK T WHICH QUOTES A SENIOR EGYPTIAN OFFICER SAYING "OF EGYPT WILL NOT BE A POLICEMAN FOR THE UNITED STATES, BUT WHEN EGYPTIAN AND AMERICAN INTERESTS COINCIDE, WHY

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INFO RUFHLG/AMCONSUL LENINGRAD 7364
RUDKRB/AMEMBASSY BELGRADE 9322
RUDKAR/AMEMBASSY BUCHAREST 5710
RUFHOL/AMEMBASSY BONN 8289
RUFHNA/USMISSION USNATO 7371
RUEHAM/AMEMBASSY AMMAN 1809
RUEHAD/USINT BAGHDAD 0539
RUQMBE/AMEMBASSY BEIRUT 1780
RUEHEG/AMEMBASSY CAIRO 2935
RUEHDM/AMEMBASSY DAMASCUS 1165
RUQMRA/AMEMBASSY JIDDA 1469
RUDTC/AMEMBASSY LONDON 0946
RUFNPS/AMEMBASSY PARIS 7938
RUQMZN/USMISSION SINAI 0170
RUQMHR/AMEMBASSY TEHRAN 0256
RUEHTV/AMEMBASSY TEL AVIV 2885
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SHOULDN'T WE ROW TOGETHER? AND WITH RESPECT TO SOVIET
EXPANSIONISM, OUR INTERESTS DO COINCIDE." TOON
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S E C R E T NOFORN 6515
DIADIN 299-5A (AS OF: 1908 EDT 26 OCT 79)
SUBJ: DIA DEFENSE INTELLIGENCE NOTICE (DIN) (U)
)
EGYPT: ARMS DELIVERY. (U)
)
1. (C/NOFORN) THE US DEFENSE ATTACHE IN MOGADISCIO, HAS CONFIRMED THE RECENT DELIVERY OF 22 T-54 TANKS TO SOMALIA FROM EGYPT. THEY APPARENTLY ARRIVED IN EARLY OCTOBER AND PARTICIPATED IN THE 21 OCTOBER PARADE IN THE SOMALI CAPITAL. ANOTHER SHIPMENT OF THE SAME SIZE IS SCHEDULED FOR DELIVERY IN EARLY NOVEMBER. THE 44 TANKS WILL APPARENTLY COMPLETE THIS PARTICULAR EGYPTIAN ARMS PACKAGE FOR SOMALIA.

PAGE 2 RUEKJCS 5884 S E C R E T
2. (S/NOFORN) THE TANK ACQUISITION PROBABLY WAS A DIRECT RESULT OF EGYPTIAN DEFENSE MINISTER ALI'S VISIT TO MOGADISCIO LAST APRIL. SHORTLY AFTER HIS RETURN TO CAIRO IN MAY, ALI DISCUSSED SOMALIA WITH THE US AMBASSADOR AND STATED THAT EGYPT WOULD PROVIDE SAME TANKS FOR THAT COUNTRY BUT THAT IT COULD NOT PROVIDE THE SOME 200 THE SIAD GOVERNMENT REQUESTED.
3. (S/NOFORN) DESPITE RADICAL ARAB PRESSURE, PARTICULARLY FROM IRAQ, SOMALIA IS ONE OF ONLY THREE ARAB COUNTRIES THAT HAS MAINTAINED NORMAL RELATIONS WITH EGYPT SUBSEQUENT TO THE EGYPT-ISRAEL PEACE TREATY. FOR THIS REASON, IN ADDITION TO THE ESTABLISHED MILITARY THREAT TO SOMALIA FROM ETHIOPIA, PRESIDENT SADAT ALMOST CERTAINLY WILL CONTINUE TO PROVIDE MILITARY ASSISTANCE TO THE SIAD GOVERNMENT. IN VIEW OF CAIRO'S OWN MAJOR PARTS AND LOGISTIC PROBLEMS, HOWEVER, EGYPT'S ASSISTANCE IS NOT LIKELY TO PROVIDE SUFFICIENT CONTRIBUTIONS FOR SOMALIA'S NEEDS. AS OF LAST MAY, THERE WERE APPROXIMATELY 100 EGYPTIAN MILITARY ADVISERS IN SOMALIA.
PREPARED BY: MAJ T. SIMPSON, USAF, JSI-5
(REVW 26 OCT 85)
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